



**New Jersey Municipal Environmental
Risk Management Fund**

9 Campus Drive, Suite 216

Parsippany, New Jersey

Tel (201) 881-7632

Fax (201) 881-7633

AGENDA AND REPORTS

THURSDAY JANUARY 5, 2023

10:50 AM

**~~FORSGATE COUNTRY CLUB~~
~~375 FORSGATE DRIVE—MONROE TWP, NJ 08831~~**

Meeting to be held via Zoom:

Please choose 1 option to join this meeting:

- 1) Zoom link - <https://permainc.zoom.us/j/92894063810>
- 2) Dial in - (929) 205 6099 followed by Meeting ID 928 9406 3810
- 3) Zoom One-Tap mobile - +19292056099,,92894063810#

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I.** sending sufficient Notice to the Star-Ledger, Newark, NJ
- II.** Filing advance written Notice of this meeting with each member
- III.** Posting this Notice on the Public Bulletin Board of all members.

Please be advised that this public meeting is being recorded.

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
MEETING: JANUARY 5, 2023
VIA ZOOM
10:50 AM**

SINE DIE MEETING

- ❑ MEETING OF FUND COMMISSIONERS CALLED TO ORDER**
- ❑ ROLL CALL OF 2022 EXECUTIVE COMMITTEE**
- ❑ APPROVAL OF MINUTES: Open November 9, 2022..... APPENDIX I**
- ❑ OLD BUSINESS**
- ❑ ADJOURN SINE DIE MEETING**
- ❑ Chairs vacated - Chairman asks Executive Director to run meeting**

- ❑ MEETING OF FUND COMMISSIONERS CALLED TO ORDER**
- ❑ ROLL CALL OF 2023 FUND COMMISSIONERS**
- ❑ REPORT OF NOMINATING COMMITTEE..... Page 1**
- ❑ ELECTION OF CHAIRMAN AND SECRETARY – APPENDIX II (Page 24)
Resolution 1-23**
- ❑ ATTORNEY SWEARS IN OFFICERS AND EXECUTIVE COMMITTEE**
- ❑ APPOINTMENT NON-COMPETITIVE PROFESSIONALS APPENDIX II (Pages 25-26) - Resolutions 2-23, 3-23
Attorney – Fred Semerau, Esquire, and Qualified Purchasing Agent Res. 2-23
Banking Manager Res. 3-23**
- ❑ ORGANIZATIONAL RESOLUTIONS - APPENDIX II (Page 27-61)
Resolutions 4-23 thru 11-23
Establishing a Fund Records Program
Establishing a Fiscal Management Plan
Establishing Public Meeting Procedures
Establishing Remote Meeting Procedures
Risk Management Plan
Establishing a Defense Panel
Establishing Meeting Compensation for Board Members
Establishing Standing Committees
Committee Charters**

❑ STANDING COMMITTEE 2023 APPOINTMENTS (Page 9)

- Coverage
- Rules & Contracts
- Budget & Finance
- Nominating
- Claims

❑ CORRESPONDENCE: None

REPORTS

❑ TREASURER - Charles Cuccia

- December 2022 Bill List – Resolution 30-22..... Page 3
- January 2023 Bill List – Resolution 12-23..... Page 5

❑ EXECUTIVE DIRECTOR/ADMINISTRATOR – PERMA Risk Management Services

- Executive Director's Report Page 6

❑ ATTORNEY –Fred Semerau, Esquire

❑ UNDERWRITING MANAGER – Conner Strong Insurance / Danskin Agency

- Report.....Page 13

❑ ENVIRONMENTAL ENGINEER– First Environment.....Page 15

❑ ACTUARY REPORT- Aon

❑ OLD BUSINESS

❑ NEW BUSINESS

❑ PUBLIC COMMENT

❑ EXECUTIVE SESSION - For purpose of discussing claims/potential litigation

❑ CLAIMS SERVICE- Peter King, Esq.Closed session

❑ MEETING ADJOURNED



**New Jersey Municipal Environmental
Risk Management Fund**

9 Campus Drive, Suite 216
Parsippany, NJ 07054
Tel (201) 881-7632
Fax (201) 587-8662

To: Board of Fund Commissioners
Environmental Joint Insurance Fund

From: Nominating Committee

Date: December 19, 2022

Re: EJIF 2023 Proposed Slate

Position	JIF	Fund Commissioner	Member
Chairman	NJUA	Bernie Rutkowski	Toms River MUA
Secretary	PMM	Thomas Merchel	Moorestown Twp.
Executive Committee	Burlco	Meghan Jack	Riverside
	Monmouth	Thomas Nolan	Brielle
	Camden	Joe Wolk	Mount Ephraim
	South Bergen	Greg Franz	Edgewater
	Trico	Rober Law	Woodbury
	Ocean	Veronica Laureigh	Lacey Twp.
Alternates:			
1.	Bergen	Paul Tomasko	Alpine
2.	Central	William Northgrave	Edison Twp.
3.	Suburban Municipal	Megan Champney	Summit City
4.	Morris	Brian McNeilly	Stanhope
5.	Suburban Metro	Joe Catenaro	Fairfield

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND

OATH OF OFFICE

State of New Jersey:

I, _____ do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the State of New Jersey, that I will bear true faith and allegiance to the same and to the Governments established in the United States and in this State, under the authority of the people; and I will faithfully, impartially and justly perform all of the duties of the office of _____ within the New Jersey Municipal Environmental Risk Management Fund, according to the best of my ability [*So Help Me God*]*

Signature

Name [Print or Type]

Sworn and subscribed before me this day,

Date: January 5, 2023

Fred Semrau, Attorney at Law
State of New Jersey

** The person taking the oath has the option of including "So help me God" if he/she desires.*

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND - BILLS LIST

Resolution No. 30-22

December 2022

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 2022

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001852			
001852	PERMA RISK MANAGEMENT SERVICES	POSTAGE 11/22	21.10
001852	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 12/22	27,953.75
001852	PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/22	31.80
			28,006.65
001853			
001853	DORSEY & SEMRAU	ATTORNEY FEE 12/22	7,571.33
			7,571.33
001854			
001854	CHARLES CUCCIA	TREASURER FEE 12/22	1,775.42
			1,775.42
001855			
001855	PRINCETON PUBLIC AFFAIRS GROUP	GOVERNMENTAL AFFAIRS REP. 11/22	3,750.00
			3,750.00
001856			
001856	DANSKIN INSURANCE AGENCY	UNDERWRITING MANAGER FEE 12/22	22,140.50
			22,140.50
001857			
001857	MEGHAN JACK	2022 MEETING ATTENDANCE - 6 X \$150	900.00
			900.00
001858			
001858	BERNARD RUTKOWSKI	2022 MEETING ATTENDANCE - 5 X \$150	750.00
			750.00
001859			
001859	BRIAN MCNEILLY	2022 MEETING ATTENDANCE - 6 X \$150	900.00
			900.00
001860			
001860	BARNEGAT TOWNSHIP	REIM FOR TEST & CONSTRUCT W PIPES 8/22	400.00
001860	BARNEGAT TOWNSHIP	REIM FOR TEST & CONSTRUCT W PIPES 6/22	800.00
			1,200.00
001861			
001861	TOWNSHIP OF EDISON	2022 MEETING ATTENDANCE - 3 X \$150	450.00
			450.00
001862			
001862	VERONICA LAUREIGH	2022 MEETING ATTENDANCE - 4 X \$150	600.00
			600.00
001863			
001863	TWO RIVERS WATER RECLAMATION AUTHORITY	REIM FOR UG PIPE TESTING 8.25.22	400.00
			400.00

001864				
001864	BOROUGH OF WOODCLIFF LAKE	REIM FOR TEST & CONSTRUCT W PIPES 10/22	400.00	400.00
001865				
001865	NJ ADVANCE MEDIA	ACCT #XNJEN0555599 - BDGT ADOP - 11.1.22	44.77	44.77
001866				
001866	JOSEPH E. WOLK	2022 MEETING ATTENDANCE - 6 X \$150	900.00	900.00
001867				
001867	THOMAS J. MERCHEL	2022 MEETING ATTENDANCE - 6 X \$150	900.00	900.00
001868				
001868	THOMAS F. NOLAN	MEETING ATTENDANCE 2022 - 6 X \$150	900.00	900.00
001869				
001869	FIRST ENVIRONMENT, INC.	PROF SERVICES/FORECLOSED PRO PE 10.31.22	47,760.58	47,760.58
001870				
001870	JOSEPH CATENARO	2022 MEETING ATTENDANCE - 5 X \$150	750.00	750.00
001871				
001871	ROBERT LAW	2022 MEETING ATTENDANCE - 5 X \$150	750.00	750.00
001872				
001872	GREGORY S. FRANZ	MEETING ATTENDANCE 2022 - 6 X \$150	900.00	900.00
001873				
001873	PAUL H. TOMASKO	2022 MEETING ATTENDANCE - 6 X \$150	900.00	900.00
001874				
001874	THE CANNING GROUP LLC	QPA SERVICES 11/1/22-11/30/22	416.67	416.67
001875				
001875	MEGAN L. CHAMPNEY	2022 MEETING ATTENDANCE - 5 X \$150	750.00	750.00
001876				
001876	ACCESS	ACCT #736 -CUST# NP00224 ARC & STOR	34.94	34.94
001877				
001877	RSG SPECIALTY, LLC	2023 EJIF EP 1/1/2023-1/1/2024 & TERRORI	541,966.00	541,966.00
		Total Payments FY 2022	665,816.86	
		TOTAL PAYMENTS ALL FUND YEARS	665,816.86	

Chairperson: _____ Attest: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer _____ Dated: _____

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND - BILLS LIST

Resolution No. 12-23

January 2023

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
2022

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001878			
001878	PRINCETON PUBLIC AFFAIRS GROUP	GOVERNMENTAL AFFAIRS REP. 12/22	3,750.00
			3,750.00
001879			
001879	THE CANNING GROUP LLC	QPA SERVICES 12/1/22-12/31/22	416.67
			416.67
001880			
001880	ACCESS	ACCT 736 CUST 224 ARC/STORE 11.30.22	35.95
			35.95
Total Payments FY 2022			4,202.62

FUND YEAR
2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001881			
001881	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 01/23	28,512.83
			28,512.83
001882			
001882	DORSEY & SEMRAU	FUND ATTORNEY 01/23	7,722.76
			7,722.76
001883			
001883	CHARLES CUCCIA	FUND TREASURER 01/23	1,810.90
			1,810.90
001884			
001884	DANSKIN INSURANCE AGENCY	UNDERWRITING MGR FEE 01/23	22,583.31
			22,583.31
Total Payments FY 2023			60,629.80
TOTAL PAYMENTS ALL FUND YEARS			64,832.42

Chairperson: _____ Attest: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer _____ Dated: _____



**New Jersey Municipal Environmental
Risk Management Fund**

9 Campus Drive, Suite 216
Parsippany, NJ 07054
Tel (201) 881-7632
Fax (201) 881-7633

DATE: January 5, 2023
TO: Fund Commissioners
New Jersey Municipal Environmental Risk Management Fund
FROM: Perma Risk Management Services
SUBJECT: Executive Director's Report

- ❑ **2023 REORGANIZATIONAL RESOLUTIONS** - Included in *Appendix II (page 23)* of the Agenda Packet are the Resolutions necessary to undertake the 2023 Reorganization of the Fund.
- ❑ **2023 PROFESSIONAL CONTRACTS** (Page 7-8) - The Fund is currently in the third year of the three-year contract term for most of the Fund Professionals and Servicing Organizations. The fund reserves the right to extend the competitive contracts for an added two (2) years under the authority of N.J.S.A. 40A:11-4.2 and N.J.S.A.40A:11-15. The enclosed memorandum provides a summary of contracts in force and sets forth compensation for Fund year 2023.
- ❑ **2023 STANDING COMMITTEES** (Page 53) - Five standing committees should be established for the 2023 Fund year. The five (5) committees are Coverage committee, Rules & Contracts committee, Budget & Finance committee, Nominating committee and Claims committee. The charters for each committee are attached to the Resolution which is found in the agenda packet (*Page 54*). Appointments should be made to each committee for the 2023 Fund year. For reference, 2022 committee appointments are listed on Page 9.
- ❑ **EJIF DATA AND ORIGAMI** – The transition to using Origami for tracking underground and above ground storage tank data is almost complete. The data has been loaded and is now visible for members to review and export to Excel or PDF. Updates are being made by the Environmental Engineer.
- ❑ **DUE DILIGENCE REPORTS:** (Pages 10-12)
FINANCIAL FAST TRACK (As of September 30, 2022)
CLAIM ACTIVITY REPORT (As of September 30, 2022)

New Jersey Municipal Environmental Risk Management Fund

9 Campus Drive, Suite 216
Parsippany, NJ 07054
Telephone: (201) 881-7632 Fax: (201) 881-7633

Memorandum

To: Executive Committee
New Jersey Municipal Environmental Risk Management Fund

From: Stephen Sacco, Executive Director

Date: January 5, 2023

The Fund is currently in the third year of most fund professionals and servicing organizations. The fund reserves the right to extend the competitive contract for an added two (2) years under the authority of N.J.S.A. 40A:11-4.2 and N.J.S.A.40A:11-15. Below is a summary of agreements that are currently in force and not part of any Reorganization Resolutions.

- I. **PERMA Risk Management Services** as **Administrator**, Stephen Sacco is hereby appointed as Executive Director, Joseph P. Hrubash as Deputy Executive Director & Bradford Stokes as Assistant Executive Director and as agents for process of service. \$998,274 is the estimated dollars that will be expended in connection with the Administrator contract over its three-year term. The annual amount of \$342,154 has been appropriated in the Administrator Line Item of the 2023 budget.
- II. **First Environment Inc** is hereby appointed as **Environmental Engineer**. \$1,410,544 is the estimated dollars that will be expended in connection with the Environmental Engineer contract over its three-year term. The annual amount of \$479,928 has been appropriated in the Environmental Services Line Item of the 2023 budget.
- III. **Mr. Charles S. Cuccia** is hereby appointed as **Fund Treasurer**. \$63,923 is the estimated dollars that will be expended in connection with the Treasurer contract over its three-year term. The annual amount of \$21,731 has been appropriated in the Treasurer Line Item of the 2023 budget.
- IV. **AON Worldwide Actuarial Services, Inc.** is hereby appointed to serve as the FUND's Actuary. \$187,500 is the estimated dollars that will be expended in connection with the Actuary contract over its three-year term. The annual amount of \$62,500 has been appropriated in the Actuary Line Item of the 2023 budget.
- V. **King Moench & Collins LLP** is hereby appointed as the Claims Supervisor for the FUND to adjust all claims for current and prior Fund Years. \$93,839 is the estimated dollars that will be expended in connection with the Claims Supervisor contract over its three-year term. The annual amount of \$32,030 has been appropriated in the Claims Administration Item of the 2023 budget.

- VI. Nisivoccia LLP** is hereby appointed as Fund Auditor. \$51,831 is the estimated dollars that will be expended in connection with the Auditor contract over its three-year term. The annual amount of \$17,620 has been appropriated in the Auditor Line Item of the 2023 budget
- VII. The Danskin Insurance Agency, Inc. and Conner Strong & Buckelew** are hereby appointed as co-Underwriting Managers for the FUND. \$793,951 is the estimated dollars that will be expended in connection with the Underwriting Manager contract over its three-year term. The annual amount of \$271,000 has been appropriated in the Underwriting Managers Line Item of the 2023 budget.
- VIII. Princeton Public Affairs Group as Legislative Agent** at an annual fee of \$45,000 with a three-year total of \$135,000. The annual amount of \$45,000 has been appropriated in the Legislative Agent Line Item of the 2023 budget. Contract term *9/4/19- 9/4/24*.

2022 STANDING COMMITTEES

COVERAGE COMMITTEE

Tom Nolan
Joe Catenaro
Veronica Laureigh

RULES & CONTRACTS COMMITTEE

Joe Wolk
Veronica Laureigh
Bernie Rutkowski

BUDGET & FINANCE COMMITTEE

Tom Nolan
Greg Franz

NOMINATING COMMITTEE

Joe Catenaro
Greg Franz

CLAIMS COMMITTEE

Tom Nolan
Greg Franz
Bernie Rutkowski

Fund Chairman sits Ex-Officio to all standing committee meetings

N J ENVIRONMENTAL RISK MANAGEMENT FUND
FINANCIAL FAST TRACK REPORT

AS OF SEPTEMBER 30, 2022
ALL YEARS COMBINED

	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1. UNDERWRITING INCOME	3,015,776	95,388,861	98,404,637
2. CLAIM EXPENSES			
Paid Claims	284,870	23,490,560	23,775,431
Case Reserves	687,795	8,225,147	8,912,942
IBNR	59,578	4,396,741	4,456,319
Recoveries	0	(4,419,920)	(4,419,920)
Total Claims	1,032,244	31,692,528	32,724,771
3. EXPENSES			
Excess Premiums	373,902	8,972,376	9,346,278
Administrative	859,766	24,879,867	25,739,633
Total Expenses	1,233,668	33,852,242	35,085,911
4. UNDERWRITING PROFIT (1-2-3)	749,864	29,844,090	30,593,955
5. INVESTMENT INCOME	(2,122,862)	10,243,511	8,120,648
6. STATUTORY PROFIT (4+5)	(1,372,998)	40,087,601	38,714,603
7. DIVIDEND	0	19,425,006	19,425,006
8. STATUTORY SURPLUS (6-7)	(1,372,998)	20,662,595	19,289,597

Surplus (Deficits) by Fund Year

FUND YEAR	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1999	(93,479)	83,378	(10,101)
2000	(10,881)	205,592	194,710
2001	(18,704)	353,392	334,688
2002	(68,363)	1,155,815	1,087,452
2003	(87,970)	1,323,817	1,235,847
2004	(41,820)	502,366	460,545
2005	(54,827)	988,640	933,813
2006	(110,959)	(896,921)	(1,007,880)
2007	(2,405)	45,438	43,033
2008	(30,899)	152,882	121,984
2009	(41,022)	244,896	203,874
2010	(75,764)	1,234,501	1,158,736
2011	(127,745)	2,176,304	2,048,559
2012	(107,531)	1,691,979	1,584,447
2013	(84,711)	865,836	781,126
2014	(144,145)	2,141,331	1,997,187
2015	(139,653)	2,459,624	2,319,972
2016	(80,282)	632,949	552,668
2017	(85,514)	2,355,637	2,270,123
2018	51,687	1,591,561	1,643,248
2019	200,008	911,972	1,111,980
2020	173,826	235,815	409,641
2021	(210,722)	205,793	(4,930)
2022	(181,124)	-	(181,124)
TOTAL	(1,372,998)	20,662,596	19,289,598
TOTAL CASH	981,815	32,889,472	33,871,288

This report is based upon information which has not been audited nor certified
by an actuary and as such may not truly represent the condition of the Fund.

Claim Analysis By Fund Year

AS OF SEPTEMBER 30, 2022

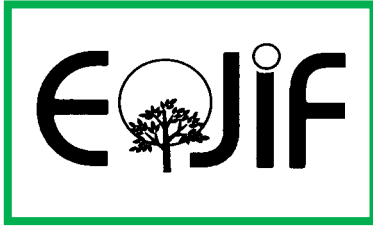
	YTD CHANGE	FUND BALANCE	FUND BALANCE
FUND YEAR 1995,1996,1997,1998			
Paid Claims	-	2,201,682	2,201,682
FUND YEAR 1999			
Paid Claims	1,313	4,764,517	4,765,830
Case Reserves	(1,313)	100,385	99,072
IBNR	(315)	24,092	23,777
Recoveries	-	(2,967,356)	(2,967,356)
Total Claims	(315)	1,921,638	1,921,323
FUND YEAR 2000			
Paid Claims	-	14,742	14,742
Case Reserves	-	-	-
IBNR	-	-	-
Recoveries	-	-	-
Total Claims	-	14,742	14,742
FUND YEAR 2001			
Paid Claims	-	139,590	139,590
Case Reserves	-	1	1
IBNR	-	-	-
Recoveries	-	-	-
Total Claims	-	139,591	139,591
FUND YEAR 2002			
Paid Claims	244	1,502,050	1,502,294
Case Reserves	(244)	110,517	110,273
IBNR	(59)	26,524	26,465
Recoveries	-	-	-
Total Claims	(59)	1,639,091	1,639,032
FUND YEAR 2003			
Paid Claims	-	646,122	646,122
Case Reserves	-	1,966	1,966
IBNR	-	472	472
Recoveries	-	-	-
Total Claims	-	648,561	648,561
FUND YEAR 2004			
Paid Claims	-	1,763,771	1,763,771
Case Reserves	-	(1)	(1)
Recoveries	-	-	-
Total Claims	-	1,763,771	1,763,771
FUND YEAR 2005			
Paid Claims	9,180	807,754	816,934
Case Reserves	(9,180)	74,209	65,029
IBNR	(2,204)	17,810	15,606
Recoveries	-	-	-
Total Claims	(2,204)	899,773	897,569
FUND YEAR 2006			
Paid Claims	-	3,197,330	3,197,330
Case Reserves	-	1,027,886	1,027,886
IBNR	-	246,693	246,693
Recoveries	-	(979,606)	(979,606)
Total Claims	-	3,492,304	3,492,304
FUND YEAR 2007			
Paid Claims	-	236,407	236,407
Case Reserves	-	1	1
IBNR	-	-	-
Recoveries	-	-	-
Total Claims	-	236,408	236,408
FUND YEAR 2008			
Paid Claims	-	1,070,459	1,070,459
Case Reserves	-	298,898	298,898
IBNR	-	71,735	71,735
Recoveries	-	-	-
Total Claims	-	1,441,092	1,441,092

Claim Analysis By Fund Year

AS OF SEPTEMBER 30, 2022

	YTD CHANGE	FUND BALANCE	FUND BALANCE
FUND YEAR 2009			
Paid Claims	-	2,108,552	2,108,552
Case Reserves	-	140,619	140,619
IBNR	-	33,748	33,748
Recoveries	-	-	-
Total Claims	-	2,282,919	2,282,919
FUND YEAR 2010			
Paid Claims	-	658,987	658,987
Case Reserves	-	30,625	30,625
IBNR	-	7,350	7,350
Recoveries	-	-	-
Total Claims	-	696,962	696,962
FUND YEAR 2011			
Paid Claims	910	229,960	230,870
Case Reserves	(910)	194,971	194,061
IBNR	(219)	46,694	46,475
Recoveries	-	-	-
Total Claims	(219)	471,626	471,407
FUND YEAR 2012			
Paid Claims	-	539,996	539,996
Case Reserves	-	273,977	273,977
IBNR	-	65,754	65,754
Recoveries	-	-	-
Total Claims	-	879,728	879,728
FUND YEAR 2013			
Paid Claims	250	1,470,173	1,470,423
Case Reserves	(250)	479,284	479,034
IBNR	(60)	115,029	114,969
Recoveries	-	-	-
Total Claims	(60)	2,064,486	2,064,426
FUND YEAR 2014			
Paid Claims	884	210,173	211,057
Case Reserves	(884)	473,043	472,159
IBNR	(212)	113,531	113,319
Recoveries	-	-	-
Total Claims	(212)	796,747	796,535
FUND YEAR 2015			
Paid Claims	-	126,248	126,248
Case Reserves	-	201,883	201,883
IBNR	(4,566)	53,018	48,452
Recoveries	-	-	-
Total Claims	(4,566)	381,149	376,583
FUND YEAR 2016			
Paid Claims	32,536	508,991	541,527
Case Reserves	(32,536)	1,212,884	1,180,348
IBNR	(36,203)	357,416	321,213
Recoveries	-	-	-
Total Claims	(36,203)	2,079,291	2,043,088
FUND YEAR 2017			
Paid Claims	102	145,304	145,406
Case Reserves	(102)	168,766	168,664
IBNR	(54,956)	129,682	74,726
Recoveries	-	-	-
Total Claims	(54,956)	443,752	388,796
FUND YEAR 2018			
Paid Claims	1,080	322,470	323,550
Case Reserves	(1,080)	293,189	292,109
IBNR	(169,607)	343,600	173,993
Recoveries	-	-	-
Total Claims	(169,607)	959,259	789,652
FUND YEAR 2019			
Paid Claims	228	182,780	183,008
Case Reserves	(374)	675,584	675,210
IBNR	(328,938)	851,337	522,399
Recoveries	-	-	-
Total Claims	(329,085)	1,709,702	1,380,617
FUND YEAR 2020			
Paid Claims	35,044	121,479	156,524
Case Reserves	(35,044)	1,111,521	1,076,476
IBNR	(300,126)	1,561,666	1,261,540
Recoveries	-	-	-
Total Claims	(300,126)	2,794,666	2,494,540
FUND YEAR 2021			
Paid Claims	127,630	47,056	174,686
Case Reserves	331,870	1,354,944	1,686,814
IBNR	(391,314)	840,610	449,296
Recoveries	-	-	-
Total Claims	68,186	2,242,610	2,310,796
FUND YEAR 2022			
Paid Claims	75,470.13	-	75,470
Case Reserves	437,842	-	437,842
IBNR	1,348,357	-	1,348,357
Recoveries	-	-	-
Total Claims	1,861,670	-	1,861,670
Combined Total Claims	1,032,244	31,692,528	32,724,772

03-Nov-22



New Jersey Municipal Environmental
Risk Management Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054
Telephone (201) 881-7632
Fax (201) 881-7633

DATE: January 5, 2023
TO: Executive Committee
FROM: *Danskin Insurance Agency/Conner Strong & Buckelew*
SUBJECT: Underwriting Manager Report – January 2023

EJIF COVERAGE

A reminder that the new endorsement #3 to the EJIF Environmental Impairment Policy takes effect January 1, 2023. This endorsement eliminates coverage for PFAS/PFOS related claims. This endorsement provides a “giveback” sublimit of \$25,000 defense costs for these types of claims only, and has a \$1,000,000 EJIF aggregate limit for all such claims in a policy year.

RENEWAL EXCESS POLICY

Coverage is bound for \$9,000,000 excess a \$3,000,000 retention with the expiring provider, Ascot Specialty Insurance Company. The renewal premium is almost 1% less than 2022 charge and the adopted line item for this coverage.

STORAGE TANK POLICIES

The 2023 Underground Storage Tank (UST) Policies have been distributed to the local units that currently maintain such systems. As has been the trend over the past few years, there are several less USTs to insure in 2023, as local units either convert to above ground storage tank systems (AST) or eliminate this exposure entirely.

Towns and Authorities are reminded to send a copy of the entire policy covering the UST(s) when renewing tank registrations. A copy of that policy must also be kept onsite for review by the NJDEP.

BROWNFIELDS & CONTAMINATED PROPERTY

The underwriting managers continue to assist local units for such projects that need to be placed outside the EJIF Coverage parameters. Typically, these placements involve brownfields & properties donated or acquired by local units. Risk managers for the local units are encouraged to contact us if assistance is need in placing such coverage.

CLAIMS

The underwriting managers are involved continuously with the Executive Director, the Fund Claims Attorney & Fund Engineers in resolving coverage positions for EJIF Members.

WEBSITE (www.njejif.org)

EJIF has a website that contains information useful to the members:

- ENVIRONMENTAL INFORMATION
 - Audit forms
 - Regulatory guidance
 - Environmental alerts
 - Seminar presentations
 - Environmental Engineer Assignments

- CLAIMS PROCEDURES
- RISK MANAGEMENT PLAN
- COVERAGE BULLETINS
- MEETING SCHEDULE

Via: Electronic Mail
SCantwell@permainc.com

December 22, 2022

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
Attn: Ms. Sandra Cantwell, Account Analyst

Re: EJIF Public Meeting Report – January 5, 2023 Update

Dear Sandra,

As per your request, here is a quick update regarding our services through the end of 2022, including our new stormwater video project being done on behalf of the EJIF:

1. The first video (Introduction to Stormwater) is complete and now available on the MEL Safety Institute website <https://njmel.org/mel-safety-institute/webinars/>. Spanish closed captioning will be included later as the videos are completed.
2. We have not yet received the comments back from the NJDEP regarding our second video, but will review the comments, make the changes that best serve our members, and post this video along with the first video on the MEL Safety Institute website.
3. The NJDEP Stormwater Committee released the final municipal stormwater permit on November 30, 2022. The effective date of this permit was January 1, 2023. A copy of this new permit can be found here: [tier a Full Permit No ReponsetoComments.pdf \(nj.gov\)](#)
4. First Environment compiled all member information regarding underground storage tanks (USTs) and Aboveground storage tanks (ASTs) for 2022, and provided copies of these databases to PERMA on December 6th, 2022.
5. First Environment has begun training with PERMA (Sandra Cantwell) to begin accessing the Origami program for the direct input of environmental data into the management system.

We wish everyone the best of the holiday season and hopes for a healthy and happy 2023!

Sincerely,

FIRST ENVIRONMENT, INC.



Richard Erickson
Senior Associate

APPENDIX I

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF NOVEMBER 9, 2022
ZOOM VIRTUAL MEETING
9:30 AM**

Meeting called to order by Chairman Rutkowski. The Open Public Meeting Notice was read into the record by Chairman Rutkowski.

Pledge of Allegiance.

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairman:	NJUA	Bernie Rutkowski	Present
Secretary:	PMM	Thomas Merchel	Present
Executive Committee:	Burlco	Meghan Jack	Present
	Sub Metro	Joe Catenaro	Present
	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	South Bergen	Greg Franz	Present
	Trico	Robert Law	Present
Alternates:			
	#1 Bergen	Paul Tomasko	Present
	#2 Ocean	Veronica Laureigh	Absent
	#3 Central	William Northgrave	Absent
	#4 Sub-Muni	Megan Champney Kweselait	Present
	#5 Morris	Brian McNeilly	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	PERMA Risk Management Services	Stephen Sacco	Present
Attorney	Dorsey & Semrau	Susan Sharpe, 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 & Collins	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:

Adam Brewer, Pequannock
Jim Maley, Maley Givens
Jonathon Tavares, Conner Strong & Buckelew

John Casagrande, The Danskin Agency
 Paul Miola, AJ Gallagher
 Paul Forlenza, AJ Gallagher
 Kamini Patel, AJ Gallagher
 Ezio Altamura, RMC
 Frank Covelli, RMC
 Lindsay Travali, Acrisure
 David Grubb, PERMA
 Joseph Hrubash, PERMA
 Brad Stokes, PERMA
 Pauline Kontomanolis, PERMA
 Sandra Cantwell, PERMA

APPROVAL OF MINUTES: October 19, 2022

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 19, 2022

MOTION: Commissioner Merchel
SECOND: Commissioner Wolk
VOTE: Unanimous

CORRESPONDENCE: Mr. Sacco said the Mahwah PFOS decision letter is included in the agenda to highlight a very important outcome, and asked panel attorney Jim Maley to give an overview. Mr. Maley explained that there was an attempt to build a class action suit after the town had sent out a notification letter of contamination levels in the water, as required by the DEP. The claim was for alleged expenses incurred by individuals from taking precautions. A dismissal was filed in May; however the hearing was delayed and subsequently another similar case was filed by the same plaintiff attorneys against Ridgewood. When the judge delivered his response to the Mahwah filing, he granted the motion for dismissal with a very detailed and thorough reasoning on why their argument was not – and could not - be successful. Given the depth of the judge’s decision, the case in Ridgewood was voluntarily dismissed by the lawyers. In response to Commissioner Merchel, Mr. Maley said there was no damages that could be cited and there is no science concerning any actual medical issues. In response to Commissioner Law, Mr. Maley said the decision will be transcribed and will be an important point of reference for future cases. Although there is always an opportunity for the plaintiff to amend, the judge gave a very clear explanation of why the facts will not support their case, even if they attempt to amend.
 Mr. Sacco thanked Mr. Maley for a job well done.

TREASURER

Mr. Cuccia presented his report: Resolution No. 27-22 confirming the Dividend Bills List and Resolution No. 28-22 approving the November Bills List as follows:

RESOLUTION 27-22 - DIVIDEND BILLS LIST

FUND YEAR	AMOUNT
2022	\$3,300,000.00

Total	\$3,300,000.00
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RESOLUTION 28-22 - NOVEMBER BILLS LIST

FUND YEAR	AMOUNT
2022	\$136,936.25
Total	\$136,936.25

MOTION TO CONFIRM DIVIDEND BILL LIST AND APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 27-22 AND 28-22

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

Appointment of Excess Carrier: Mr. Sacco thanked the Mr. Mike Avalone and Mr. Chuck Casagrande for their work to secure the excess carrier for 2023, which received verbal confirmation just this morning. This year the process required additional effort on the underwriter’s behalf as the current carrier had turnover in their staff and time was needed to educate them on our program. Our current carrier, Ascot Specialty Insurance Company, has agreed to keep our rates flat for the new year and the underwriters do not expect to get a better offer. However, in the event there are other considerations, Mr. Sacco asked for a motion to authorize the Finance committee to negotiate and finalize the contract. This is a precedence used in the MEL when needed.

MOTION TO AUTHORIZE THE BUDGET/FINANCE COMMITTEE TO ENTER INTO THE REQUIRED AGREEMENTS FOR 2023 FOR REINSURANCE AND/OR EXCESS LIABILITY COVERAGE FOR THE NEW JERSEY ENVIRONMENTAL JOINT INSURANCE FUND.

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

In response to Mr. Sacco, Mr. Casagrande said although the process was not easy this year, the expected agreement was upheld by the carrier. Mr. Avalone said fortunately they had the documentation to support the prior discussions. In response to Mr. Sacco, Mr. Avalone said they anticipate they will move forward with Ascot. Every year they speak to around 20 carriers to assess the market and in the last couple years, PFOS / PFOA has been a growing discussion point. Ascot has been very competitive. Mr. Sacco added that the Fund had budgeted for this number and therefore would not need to be adjusted.

MOTION TO ADOPT RESOLUTION #29-22 AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH ASCOT

**SPECIALTY INSURANCE COMPANY, THROUGH AN INTERMEDIARY, R-T
SPECIALTY IN HAMILTON, FOR REINSURANCE AND/ OR EXCESS
LIABILITY COVERAGE**

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

Nominating Committee: The Nominating Committee will be meeting prior to the January 5, 2023 reorganization meeting. Their recommend slate will be presented at that time.

2022 Commissioner Compensation: The attendance record for 2023 is included in the agenda, along with a voucher for Commissioners to complete and submit to the Fund office. .

Next Meeting: The next meeting of the EJIF is the 2023 Fund Reorganizational meeting scheduled for Thursday, January 5, 2023 at 10:50 am at the Forsgate County Club.

Due Diligence: Mr. Sacco said the Financial Fast Track shows the Fund surplus as of September 30th down \$1.3 million, however the fund balance over all fund years combined is \$19.2 million.

ATTORNEY:

No report.

UNDERWRITING MANAGERS:

No further statements to the report as included in the agenda.

ENVIRONMENTAL ENGINEER:

Mr. Erickson said the first of the stormwater videos is on the MSI page on the MEL website and he would welcome any comments or feedback. The DEP is in final review of the next video on public outreach and training.

ACTUARY

No report.

OLD BUSINESS:

Mr. Frank Covelli thanked the team and the Executive Committee for the support given to Mahwah and appreciation for the work done on behalf of Mahwah and for setting the tone for the future.

NEW BUSINESS:

None.

MEETING OPENED TO PUBLIC FOR COMMENT:

No public comments were made.

MOTION TO ENTER INTO CLOSED SESSION:

MOTION: Commissioner Franz
SECOND: Commissioner Law
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOTION: Commissioner Nolan
SECOND: Commissioner Merchel
VOTE: Unanimous

MOTION TO APPROVE THE PARs AS SUBMITTED:

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

MOTION TO ADJOURN MEETING

MOTION: Chairman Wolk
SECOND: Commissioner Law
VOTE: Unanimous

Meeting Adjourned: 10:09 AM

Sandra Cantwell, Assisting Secretary
For Tom Merchel, Secretary

APPENDIX II

RESOLUTION NO. 1-23

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter referred to as the “FUND”)

**CERTIFYING THE ELECTION OF
CHAIRMAN AND SECRETARY FOR FUND YEAR 2023**

BE IT RESOLVED, by the Governing Body of the Fund that the following persons have been elected as Chairman and Secretary:

BERNIE RUTKOWSKI, CHAIRMAN

TOM MERCHEL, SECRETARY

BE IT FURTHER RESOLVED, that the Chairman and Secretary shall serve for the year 2023 and until their successors shall be elected and qualified.

ADOPTED: *this 5th day of January 2023 before the Governing Body,*

Chairman

Secretary

RESOLUTION NO. 2-23

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND,
(Hereinafter referred to as the “FUND”)**

**APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS
FOR FUND YEAR 2023**

WHEREAS, the FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et. seq.); and

WHEREAS, the New Jersey Municipal Environmental Risk Management Fund (hereinafter the Fund) found it necessary and appropriate to appoint certain professionals as defined in the Local Public Contracts Law, (N.J.S.A. 40A-12 et. seq.) for the 2023 Fund year; and,

WHEREAS, the Fund seeks to award Professional Service Agreements in accordance with a non-fair and open process pursuant to NJSA 19:44A-21.4 et. seq.; and,

WHEREAS, the Fund’s Executive Committee recommended the award of contracts to the below listed Professional Service Providers and service organizations based on a review of their experience and prior service provided at the rates established by the Fund Executive Committee; and,

WHEREAS, the Fund Treasurer has issued a certificate of available funds indicating sufficient funds exist for the award of these contracts in the usual and customary accounts.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Fund's Executive Committee hereby recommends the appointment of the following Fund Professionals at its January 2023 reorganization meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A –20.4 et. seq.

1. **Fred Semrau, Esq. of Dorsey & Semrau** as Fund Attorney providing General Counsel - \$92,673 is the estimated dollars that will be expended in connection with the General Counsel contract over a period of one year.
2. **Sean Canning of The Canning Group** as Qualified Purchasing Agent in the amount of \$5,000.

BE IT FURTHER RESOLVED, all Professional Service Providers are appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service Agreements and the Local Public Contracts Law.

BE IT FURTHER RESOLVED, notice of this action shall be printed in the official newspaper of the Fund in accordance with the Local Public Contract Laws of the State of New Jersey

ADOPTED: *this 5th day of January 2023 before the Governing Body*

Chairman

Secretary

RESOLUTION NO. 3-23

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(Hereinafter the "FUND")

APPOINTING BANKING MANAGER

WHEREAS, the New Jersey Municipal Environmental Risk Management Fund (hereinafter the Fund), finds it necessary for the proper conduct and order of business that official depositories for the Fund be designated and named; and

WHEREAS Citizens Bank (formerly Investors Bank) for Banking Manager at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn base of 1.50% as of 9/1/2022 plus 50% beta on Federal Fund Target Rate increase / decrease with a floor of .40% is hereby proposed by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f)

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Municipal Environmental Risk Management Fund, that Citizens Bank for Banking Manager at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn base of 1.50% as of 9/1/2022 plus 50% beta on Federal Fund Target Rate increase / decrease with a floor of .40% is hereby approved by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f) and that sums so deposited may be withdrawn upon a check, draft or order of the Board of Fund Commissioners; and

BE IT FURTHER RESOLVED that a certified copy of this Resolution, duly executed, be delivered to the proper officers of Citizens Bank

ADOPTED: this 5th day of January 2023 before the Governing Body

Chairman

Secretary

RESOLUTION NO. 4-23

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(Hereinafter the “FUND”)**

ESTABLISHING A FUND RECORDS PROGRAM FOR FUND YEAR 2023

WHEREAS: The FUND must establish a formal record retention program for the 2023 Fund Year.

NOW, THEREFORE BE IT RESOLVED, by the FUND’s Governing Body that:

- I. Tom Merchel, Fund Secretary, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive, Suite 216, Parsippany, NJ.**
- II. Sandra Cantwell, Account Manager for PERMA Risk Management Services is hereby designated as **Assistant Fund Secretary**.**
- III. The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.**
- IV. Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.**

Records and files not required to support current operations, but which must otherwise be retained, shall be stored in the record retention facility, located at Route 80, Business Archives, 24 Beckwith Avenue, Paterson, New Jersey. The FUND’s Executive Director shall coordinate the archive process and will make sure all records are properly indexed and accessible.

ADOPTED: this 5th day of January 2023 before the Governing Body

Chairman

Secretary

RESOLUTION NO: 5-23

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter referred to as “THE FUND”)
ESTABLISHING A FISCAL MANAGEMENT PLAN
FOR THE 2023 FUND YEAR

WHEREAS, THE FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

WHEREAS, THE FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et.seq.) ; and

NOW, THEREFORE BE IT RESOLVED, THE FUND’s Governing Body hereby appoints the following professionals for the 2023 Fund Year:

I. All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository (ies) by check, wire or ACH which shall bear the signatures and/or electronic approvals of at least two (2) of the following persons, duly authorized pursuant to this Resolution:

Bernie Rutkowski	CHAIRMAN
Tom Merchel	SECRETARY
Charles Cuccia	TREASURER
Gregory Franz	COMMISSIONER

II. All funds for Claims payments shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Charles Cuccia

Peter King

Matthew Moench

Fred Semrau

FOR WIRE TRANSFERS - that the FUND does hereby require that Citizens Bank obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.

III. The Cash and Investment Policy attached herewith, shall be adopted.

IV. The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date for any such assessment.

V. Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.

ADOPTED: this 5th day of January 2023 before the Governing Body

Chairman

Secretary

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
2023 CASH MANAGEMENT AND INVESTMENT POLICY**

1.) **Cash Management and Investment Objectives**

The New Jersey Municipal Environmental Risk Management Fund (hereinafter referred to as the FUND) objectives in this area are:

- a) Preservation of capital.
- b) Adequate safekeeping of assets.
- c) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e) Maximization of total return, consistent with risk levels specified herein.
- f) Investment of assets in accordance with State and Federal Laws and Regulations.
- g) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i) Stability in the value of the FUND's economic surplus.

2.) **Permissible Investments**

Investments shall be limited to investments authorized under N.J.S.A. 40A:5-15.1 Joint Insurance Funds and Chapter 38, Joint Insurance Funds, Subchapter 1. Investments 5:38-1.1, 5:38-1.2 and 5:38-1.3 of the New Jersey Administrative Code.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories include but are not limited to:

Citizens Bank

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall identify the investment that is the most advantageous to the fund, unless otherwise directed by the FUND. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit** This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections** Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management** All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-16.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims impress accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

RESOLUTION NO: 6-23

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter the “FUND”)**

ESTABLISHING PUBLIC MEETING PROCEDURES FOR FUND YEAR 2023

WHEREAS, the FUND must establish meeting procedures for Fund Year 2023, and

NOW, THEREFORE BE IT RESOLVED BY the Funds Governing Body

- I.** That the FUND shall hold public meetings at the Forsgate Country Club, Monroe N.J., with exception of the March 24, 2023 meeting as noted below, as follows:

Friday, March 24, 2023, at 9:00AM (meeting and MEL Retreat), Princeton Marriot at Forrestal, Princeton, N.J.

Friday, June 2, 2023, at 10:50AM (formerly June 7, 2023)

Friday, September 15, 2023, at 10:50AM (formerly September 6, 2023)

Wednesday, October 18, 2023, at 10:50AM

*Wednesday, November 8, 2023, at 9:30AM.

The 2024 Reorganization will be scheduled for Thursday, January 4, 2024 at 10:50AM.

**Meeting date, time and format Subject to Change*

- II.** Each Public Comments session is limited to thirty (30) minutes; any one person may address the Chairperson for a maximum of five (5) minutes; once a particular topic has been addressed by a member of the public, subsequent comments on that same topic by other people is limited to a maximum of two (2) minutes; citizens who have spoken once during the session will not be recognized a second time; and speakers are required to state their names and addresses and direct all inquiries to the Chairman.
- III.** The following is hereby designated the official newspaper(s) of the FUND: The Star Ledger, Newark, NJ; and In addition, the EJIF’s webpage is designated for official notices – www.NJEJIF.org.
- IV.** The FUND Secretary or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

ADOPTED: this 5th day of January 2023 before the Governing Body

Chairman

Secretary

**RESOLUTION OF THE NEW JERSEY MUNICIPAL
ENVIRONMENTAL RISK MANAGEMENT FUND
TO ESTABLISH REMOTE MEETING PROCEDURES
APPLICABLE DURING A DECLARED STATE OF EMERGENCY**

WHEREAS, on March 9, 2020 in response to COVID-19, Governor Phil Murphy issued Executive Order 103, which declared a state of emergency that has been extended by the Governor and remains in full force to this day; and

WHEREAS, by way of additional Executive Orders, the Governor has established extensive social distancing protocols to protect the health, safety and welfare of New Jersey citizens; and

WHEREAS, in accordance with the Executive Orders relating to COVID-19 and the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. (“OPMA”), local government units, including the New Jersey Municipal Environmental Risk Management Fund (“E-JIF”), have continued to hold public meetings via remote platforms to ensure the continued operation of local government with participation by the public, in a way that limits public health risk; and

WHEREAS, in March 2020, the New Jersey Department of Community Affairs, Division of Local Government Services (“DLGS”) issued “Local Operational Guidance – COVID-19: Guidance for Remote Public Meetings in New Jersey,” which provided specific guidance regarding holding remote public meetings under the OPMA; and

WHEREAS, on September 24, 2020, the DLGS issued Local Finance Notice 2020-21 (“LFN 2020-21”), which provided a synopsis of newly promulgated emergency regulations N.J.A.C. 5:39-1.1 through 1.7, which establish standard protocols for remote public meetings governed by the OPMA and held during a Governor-declared state of emergency; and

WHEREAS, LFN 2020-21 additionally stated that the emergency regulations presently in effect are proposed for permanent adoption in the October 19, 2020 New Jersey Register, with comments submitted no later than November 18, 2020; and

WHEREAS, under emergency regulation N.J.A.C. 5:39-1.4(h), a local government unit is required to adopt by resolution standard procedures and requirements for public comment made during remote public meetings, as well as for public comments submitted in writing ahead of the remote public meeting; and

WHEREAS, although the emergency regulations requiring this resolution expired on January 1, 2022, the E-JIF desires to memorialized standard procedures and requirements for public comment for remote meetings for 2023.

NOW THEREFORE BE IT RESOLVED that the Executive Director’s Office of the E-JIF, does hereby resolve and agree to adopt the following procedures regarding public comments during remote public meetings:

1. Public comments for a remote public meeting may be made during the designated public comment section of the meeting or submitted in writing to the Executive Director's Office of the E-JIF no later than four (4) hours prior to published start time of the remote meeting. Written public comments must be emailed to the Executive Director's Office at: steves@permainc.com or mailed to the Executive Director's Office at: 9 Campus Drive – Suite 216, Parsippany, NJ 07054. Written public comments may not be submitted via any other form of electronic communication.
2. Written public comments submitted via email or mail must include the individual's name, full address and contact information (telephone number and/or email address), as the Executive Director's Office reserves the right to verify the submitter's identity.
3. Written public comments submitted in accordance with this resolution shall be read into the remote meeting record at the end of the last public comment section, subject to any time limit in place for in-person comments. Written public comments containing profanity or vulgarity will not be read into the record. The chair and/or presiding officer of the remote meeting reserves the right to read similar or duplicative comments into the record in a summary fashion and will do so uniformly for all similar/duplicative comments.
4. Written public comments received after the four (4) hour deadline set forth by this resolution will not be read into the record or become part of the meeting record.
5. The procedures and requirements for making public comments during a remote meeting, along with an explanation of the audio muting function of the electronic communications platform being used, shall be announced at the beginning of the remote public meeting.
6. With respect to public participation at a remote public meeting, the following procedures shall be incorporated:
 - a. A member of the public who has submitted written comments prior to the meeting in accordance with this resolution, attends the remote public meeting, and wishes to participate during the public comment portion, will be deemed and treated as having already had the floor once.
 - b. If a member of the public disrupts a remote public meeting, the chair and/or presiding officer of the remote public meeting shall facilitate a dialogue with that member of the public to the extent reasonably permitted by the electronic communications technology.
 - c. The chair and/or presiding officer of the meeting shall mute or continue muting, or direct appropriate staff to mute or continue muting, the disruptive member of the public and warn them that continued disruption may result in their being prevented from speaking during the remote public meeting or removed from the remote public meeting. Disruptive conduct includes sustained inappropriate behaviors such as, but not necessarily limited to, shouting, interruption and use of profanity.

- d. A member of the public who continues to act in a disruptive manner after receiving an initial warning shall be muted while other members of the public are allowed to proceed with their questions or comments. If time permits, the disruptive individual shall be allowed to speak after all other members of the public have been given the opportunity to make comment. Should the person remain disruptive, the individual may be muted or kept on mute for the remainder of the remote public meeting, or removed from the remote public meeting.
- e. The chair and/or presiding officer of the remote meeting shall reserve the right to take necessary action to protect the rights of the public to participate in the remote public meeting

This Resolution shall take effect immediately.

ADOPTED this day;

Chairman

Date

Secretary

Date

2023 E-JIF Risk Management Plan

1. INTRODUCTION

In 1984, the commercial insurance marketplace excluded all environmental risk from general liability insurance policies underwritten for public entities and other local units, and for many years subsequent, there had been no coverage available for these exposures. As a result of the liability insurance crisis beginning the following year, New Jersey Public entities developed joint insurance funds and in 1987 formed the Municipal Excess Liability Joint Insurance Fund (MEL) to provide excess casualty coverage for the newly created pools. At that time, the pools were not large enough to address the environmental liability issue and environmental coverage remained a void. However, by 1991, the MEL had grown to over 200 communities and adopted a long-range plan that proposed the establishment of a specialized pool to provide environmental coverage. A study committee was formed in 1992 and enabling legislation was signed into law in October 1993.

The New Jersey Municipal Environmental Risk Management Fund, hereinafter referred to as the “FUND” was established by property/casualty joint insurance funds which seek to provide their member public entities and utility authorities with environmental coverage in five (5) areas:

- I. Third Party Liability
- II. On-Site Clean-up Costs
- III. Public Officials Pollution Liability
- IV. De Minimus Abandoned Waste Sites
- V. Storage Tank Systems

One of the primary objectives of the FUND is the containment of costs through sound environmental control practices, as well as effectively administered claims adjustment practices. To achieve these objectives, the FUND has engaged environmental engineering companies to work closely with member public entities in the establishment of an effective loss control program. The FUND has also arranged with an experienced claims-servicing company and a panel of environmental defense attorneys to provide claims adjustment services. It is the goal of the FUND to expand the range of coverage and services based on experience and evolving needs of member local units.

Disclaimer: This document is a general overview of the coverage and limits provided by the FUND. The actual terms and conditions are defined in the policy documents and all issues related to coverage shall be decided based on those policy forms.

I. THIRD PARTY LIABILITY

1. Background:

The activities of public entities may result in an actual or alleged pollution conditions which causes bodily injury or damage to property of others. The extent of the coverage under THIRD PARTY LIABILITY is to provide protection to the local unit for claims triggered by pollution conditions for which the local unit is alleged to be responsible.

2. Scope of Coverage:

To pay on behalf of the Local Unit losses due to liability for bodily injury and/or property damage caused by pollution conditions emanating from a covered location or arising from covered operations. Legal defense shall be included subject to the aggregate defense costs limits.

3. Pollution Conditions:

The FUND intends to cover, under THIRD PARTY LIABILITY, the discharge, dispersal, release, escape, migration or seepage of any solid, liquid, gaseous or thermal irritant, contaminant or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, materials or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater. Waste materials include materials to be recycled, reconditioned or reclaimed.

4. Exclusions: (Partial Listing – REFER TO POLICY FOR COMPLETE LIST OF EXCLUSIONS)

The FUND will not pay nor defend any loss from pollution conditions caused by, due, based upon, arising out of or directly related to any one or more of the following:

- a) Pollution conditions that existed prior to the inception date of this policy
- b) Injunctive or non-monetary relief
- c) Lead
- d) Asbestos
- e) Workers Compensation, unemployment compensation or disability benefits
- f) Employment Practices Liability
- g) Mold or fungi
- h) Contractual Liability, except where coverage would apply in absence of contract

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- i) Acid rain
- j) Automobile (except transit sublimit), aircraft, watercraft
- k) Pollution conditions after location has been sold, leased, or abandoned
- l) Chlorine based products
- m) Airports (unless endorsed)
- n) Willful, deliberate non-compliance with regulation, statute, or other law
- o) PFAs and their sister compounds**

5. Limit of Liability:

\$1,000,000 per claim*

\$1,000,000 annual aggregate

\$250,000 sub-limit Transportation coverage

\$250,000 sub-limit Cyber coverage

\$25,000 sub-limit legal defense only for PFA claims**

*** Discharge Pollution Control & Countermeasure Limits (DPCC) of \$1,000,000 per claim /\$2,000,000 annual aggregate, per location, when mandated by NJ DEP Regulations.**

**** Subject to a fund annual aggregate of \$1,000,000**

II. ONSITE CLEANUP COSTS

1. Background:

Public property is subject to being polluted by third parties such as an illegal toxic dumping in a park. The intent of the coverage, under ONSITE CLEANUP COSTS, is to provide protection to the public entity for the costs of remediation triggered by pollution conditions caused by an unrelated third party on any public lands of the local unit.

2. Scope of Coverage:

Emergency Remediation of pollutants deposited by third parties:

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\$ 50,000 per claim

\$ 100,000 annual aggregate

Note: Local unit will be required to make application to the NJ Spill Fund or other available funding sources for reimbursement. Reimbursement, if any, to be paid back to the FUND.

III. PUBLIC OFFICIALS POLLUTION LIABILITY

1. Background:

The acts or omission by public officials that may result in claims by third parties of bodily injury or property damage related to environmental conditions are excluded under conventional Public Officials Liability coverage. It is the intent of PUBLIC OFFICIALS POLLUTION LIABILITY to provide protection to the officials of the local unit for such claims.

2. Scope of Coverage:

Pay on behalf of the local unit and its public officials that are legally obligated to pay as a result of pollution conditions caused by the wrongful acts of Public Officials. Legal defense shall be included subject to the aggregate defense costs limits

3. Limit of Liability:

\$1,000,000 per claim

\$1,000,000 annual aggregate

IV. DE MINIMUS ABANDONED WASTE SITES

1. Background:

Public entities, through their various departments and refuse collection responsibilities, have in the past contributed waste to hazardous waste landfills. Through actions by the EPA and/or NJDEP, efforts are being made to remediate all hazardous waste sites and to assign associated costs to potentially responsible parties (PRPs) who likely contributed to the problem. In many cases it is unclear who was truly responsible for the hazardous waste that was sent. Public entities have been identified as general contributors with potentially “deep pockets” and therefore, under CERCLA guidelines of strict joint and several liability, could be forced to contribute a significant amount to the clean-up. Contributors who have not been specifically identified as major

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contributors, however, have often been in a position, particularly when mediated as a group, to negotiate an equitable settlement with the EPA, NJDEP and major PRP's to indemnify them from further liability. The intent of the FUND, under DE MINIMUS ABANDONED WASTE SITES, is to provide a means for insureds that are deemed minor contributors (De Minimus) to an abandoned waste site to negotiate reasonable settlements. To a significant extent, this is part of a defense strategy.

2. Scope of Coverage:

The FUND, under DE MINIMUS ABANDONED WASTE SITES, will pay on behalf of the insured(s) for the negotiated settlement amount, up to policy sub-limits, to fund remedial efforts and a settlement agreement that will indemnify the insured(s) from future liability at a Federal or State Abandoned Toxic Waste Site. Legal defense shall be included subject to the aggregate defense costs limits.

3. Abandoned Waste Site & Minor PRP Designation

The FUND intends to cover only those events where the local unit is clearly identified as a de minimus (PRP) contributor of the specified hazardous waste at a Federal or State Abandoned Toxic Waste Site where the local unit was not aware, nor given actual or constructive notice that the pollution conditions existed prior to the inception date of coverage, nor that any elected or appointed official of the local unit knew or could have reasonably foreseen that such pollution conditions could have been expected to give rise to a claim.

4. Exclusions: (Partial Listing - Refer to Policy for all Exclusions)

The FUND will neither pay nor defend any loss from an abandoned waste site buy-out agreement caused by, due to, based upon, arising out of or directly related to any one or more of the Exclusions listed under Section IV of the policy.

5. Conditions:

- a) Legal services will be provided solely by the approved FUND attorney(s).
- b) The local unit must agree to participate in any group settlement proceedings deemed appropriate by the FUND attorney(s).
- c) The FUND must agree to the negotiated settlement.
- d) The local unit and the FUND must be indemnified from further liability at site as a result of payment.

6. Limit of Liability:

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\$50,000 per local unit

V. STORAGE TANK SYSTEMS COVERAGE (STANDALONE POLICY FORM)

1. Background

EPA and the NJDEP have existing regulations requiring tank owners to provide financial responsibility for the pollution exposure of underground storage tanks. The intent of the FUND, under STORAGE TANK SYSTEMS COVERAGE, is to fulfill the requirements as well as provide coverage for above ground storage tanks. The policy form itself is subject to EPA/NJDEP acceptance.

2. Scope of Coverage:

The FUND will pay on behalf of the local unit, sums, which the local unit shall be legally obligated to pay as damages as a result of bodily injury or property damage, a cleanup caused by a release arising from the operation of an underground storage tank at any scheduled site. The claim must be first made against the local unit during the policy period and reported to the FUND during the policy period. Above ground storage tanks must comply with all underwriting requirements established by the fund, including compliance testing for above ground storage tanks with underground piping. The deadline for compliance testing was 7/1/2013. After 7/1/2013, new EJIF members AND current members that acquire the described system must demonstrate compliance with the FUND standards in order to secure coverage for that system. Legal defense shall be included subject to the aggregate defense costs limits.

There is a biennial testing requirement for those systems that previously qualified for coverage during the initial testing period.

This policy is site specific: Only scheduled underground storage tanks at scheduled locations are covered. Unregulated underground storage tanks may be covered subject to E-JIF underwriting rules. **As of 01/01/2014, unregulated USTs that exceed 20 years of age are no longer covered in the EJIF.**

No coverage applies to underground storage tanks that are rejected, unknown and/or unscheduled. Refer to item 2 regarding the E-JIF Underground Tank Remediation Grant Program. **Coverage is provided under the New Jersey Mandatory Endorsement for regulated storage tanks as per 40 CFR280.97(b)(1).**

3. Accidental Release:

The FUND intends to cover only those events emanating from any sudden or non-sudden release of petroleum arising from the operation of a storage tank at any scheduled site that results in a

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need for clean-up and/or compensation for bodily injury or property damage neither expected nor intended by the insured.

4. Exclusions: (Partial Listing - Refer to Policy for all Exclusions)

The coverage does not apply to:

- a) Any claim arising from any knowingly unlawful, dishonest, fraudulent, criminal, malicious or wrongful act or omission committed by or at the direction of any supervisor, department head, elected or appointed official of the local unit.
- b) Any claim with respect to which the local unit was aware of non-compliance with any applicable statute, regulation, instruction or court order relating to the petroleum tanks.
- c) Any claim arising from any accidental release at any place other than scheduled sites.
- d) The cost of installation, replacement or repair of any storage tank or any other receptacle including the cost of excavation or backfilling, piping and valves, all leak detection systems and all containment systems and all monitoring systems.
- e) Any routine maintenance, measurement or testing expense which is not occasioned by a pollution event.
- f) Any fines, exemplary or punitive damages, statutory or other penalties, trebled or other multiple damages.
- g) Any unregulated tanks that exceed the 20 year age limit as of January 1, 2014.\

5. Limit of Liability:

\$ 1,000,000 each incident -THIRD PARTY LIABILITY

\$ 1,000,000 each corrective action -ONSITE CLEANUP COSTS

\$ 1,000,000 Aggregate Limit

\$ 100,000 Aggregate Defense Limit

2. E-JIF UNDERGROUND STORAGE TANK GRANT REMEDIATION PROGRAM

The E-JIF may make available a grant up to a maximum of \$10,000 per impaired location for unknown/undisclosed underground storage tanks in order to reimburse local units for incurred

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remediation costs. Regarding new property acquisitions, the formal request for this grant must demonstrate proper due diligence having been performed prior to the acquisition of a location. The local unit must not have had prior knowledge or notification of the existence of the subject underground storage tank(s) on any location.

The local unit is subject to a maximum of three grant applications regardless of the period of the local fund's E-JIF membership.

3. RISK RETAINED BY THE FUND

The Fund has contracted with an Insurer to provide an excess of loss agreement. The intention is to provide aggregate budget protection. The limits afforded are \$9,000,000 aggregate limit per year that attaches after retention of \$3,000,000.

4. AMOUNT OF RESERVE TO BE ESTABLISHED

A dollar reserve is established by the FUND as to its potential exposure on a given claim based on the severity of the damages adjusted by the limits of legal liability.

All elements of the liability claim investigation are considered in establishing a reserve after the FUND is notified of its potential exposure. While conditions may change as further information becomes available, "stair stepping" or frequent changes in reserves is to be avoided.

Claim reserves are subject to regular review by the FUND's Executive Director/Administrator, Attorney, Underwriting Managers, Fund Engineer, Fund Commissioners/Executive Committee and Claims Servicing Company Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing excess coverage to the FUND (if any).

5. ASSESSMENTS

A. Budget Preparation:

1. In or before September of each year, the FUND shall prepare the budget for the upcoming calendar year. The budget shall identify the proposed items and amounts of expenditure for its operations, including an acquisition cost not to exceed six percent (6%), the anticipated amounts and sources of assessments and other income to be received during the calendar year and the status of the self-insurance or loss retention accounts.

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2. The budget shall be reviewed by an Actuary who shall comment on its adequacy and shall recommend changes, as appropriate.

B. Budget Adoption:

1. Not later than November of each year, the Fund Commissioners/Executive Committee shall adopt by majority vote, the budget for the FUND's operations for the coming calendar year.
2. A copy of the FUND's proposed budget as changed to reflect the actuary report shall be sent to each participant at least two (2) weeks prior to the time scheduled for its adoption. No budget or amendment shall be adopted until a hearing has been held giving all participating local units the opportunity to present comments or objections.
3. An adopted budget may be amended by majority vote of Fund Commissioners/Executive Committee after giving the participants two (2) weeks advance written notice and conducting a hearing on the proposed amendment.
4. A copy of the adopted budget and any amendment shall be filed within thirty (30) days of its adoption with the governing body of each participating local unit, the Commissioner of Insurance and the Commissioner of the Department of Community Affairs.

C. Annual Assessment:

1. The annual assessment of each participant shall be its pro rata share of the budget for the upcoming year for each line of coverage as computed by the actuary.
2. The calculation of pro rata shares shall be based on each participant's composite premium by fund year for that line of coverage.
3. The total amount of each participant's annual assessment shall be certified by a majority vote of the Fund Commissioners/Executive Committee to the governing body of each participant at least one month prior to the beginning of the next calendar year.
4. The annual assessment shall be paid to the FUND in two (2) installments, to be determined by the Fund Commissioners/Executive Committee, which shall conform with N.J.A.C. 12:15-2.15(a).
5. The Treasurer shall deposit each participant's assessment into the appropriate accounts, including the administrative account, the claim or loss retention trust fund accounts, or any other account as permitted by law.
6. If a participant becomes a member of the FUND or elects to participate in a line of coverage after the start of the fund year, such participant's assessments and supplemental assessments shall be reduced in proportion to that part of the year which has elapsed.

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D. Supplemental Assessments:

1. The Fund Commissioners/Executive Committee shall, by majority vote, levy upon the participants additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the FUND's claim, loss retention or administrative accounts to assure the payment of the FUND's obligations.
 - a) All supplemental assessments shall be charged to the participants by applicable fund year and shall be apportioned by that year's earned assessments for that line of coverage.
 - b) All participants shall be given thirty (30) days advance written notice of the FUND's intention to charge an additional assessment, and the FUND shall conduct a hearing before adopting the supplemental assessment.
 - c) Participants shall have thirty (30) days to pay the FUND from the date any supplemental assessment is adopted.
2. The FUND shall submit to the Commissioner of Insurance and the Commissioner of Community Affairs a report of the causes of the FUND's insufficiency, the assessments necessary to replenish it and the steps taken to prevent a reoccurrence of such circumstances.

E. Failure or Refusal to Provide Required Assessments:

Should any member fail or refuse to pay its assessments or supplemental assessments, or should the FUND fail to assess funds required to meet its obligations, the Chairperson, or in the event by his or her failure to do so, the custodian of the FUND's assets, shall notify the Commissioner of Insurance and the Commissioner of Community Affairs. Past due assessments shall bear interest at the rate of interest to be established annually by the Fund Commissioners/Executive Committee.

F. Insolvency and/or Bankruptcy of Fund Members

The insolvency or bankruptcy of a participant does not release the FUND, or any other member, of joint and several liability for the payment of any claim or liability incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

6. LOSS ADJUSTMENT PROCEDURES

The FUND will be presented with various claims against the coverage provided to the participating public entities. These claims can be large or small, justified or frivolous. The primary function of the Fund Attorney and Claims Servicing Company will be to investigate each claim for the FUND and make a determination as to the validity, scope and value of the claim.

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While the flavor of the investigation will differ per line of coverage, there are basic factors which are common to all liability claim investigations. The following factors will be addressed by the Claims Servicing Company when handling a liability claim:

A. Coverage:

The first step in claim investigation is the verification of coverage.

B. Facts:

A complete and thorough knowledge of the accident or occurrence will be the criteria on which liability is determined.

C. Liability:

Is there validity to the claim? Careful consideration must be given to this question. An analysis of the facts and applicable laws will determine the negligence factor.

D. Injuries:

The Claims Servicing Company must gather all information with respect to the extent of injuries and property damage sustained by the claimant(s). An early determination as to the extent of damages may help mitigate exposure and damages.

E. Reserves:

A careful examination of the preceding factors will help the claims service company to establish an intelligent loss reserve. It is the best estimate of the FUND's exposure with respect to each loss.

F. Claims Control:

The FUND's liability claim handling process goes beyond what would normally be considered insurance industry standards. The central theme is teamwork. Teamwork among the Executive Director/Administrator, Fund Attorney and other professionals, the Claims Servicing and Loss Control companies and the member public entities. The ultimate goal is to protect the FUND by settling claims fairly but at the lowest possible costs.

G. Legal Defense and Fees:

The FUND has established procedures to provide quality defense of claims and monitor the defense procedures and costs. These procedures include

1. Establishing a list of approved defense attorneys. This list includes attorneys with special qualifications, previous experience and a reasonable fee structure. It is expected that the

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approved defense attorneys will provide the highest quality defense for the FUND at the most reasonable cost.

2. The FUND will monitor the activities of the defense attorneys and the Fund Attorney may direct the amount of legal discovery to be conducted in an effort to control costs. The Fund Attorney actively maintains control on legal defense activity and expense.

NOTE: Each local unit participating in the FUND is provided with a claim manual or claim packet explaining how and where to report claims.

ADOPTED: this 5th day of January 2023 by the Governing Body

Chairman

Secretary

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RESOLUTION OF THE COMMISSIONERS OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND TO ESTABLISH AN E-JIF DEFENSE PANEL AND AUTHORIZE THE AWARD OF PROFESSIONAL SERVICES CONTRACTS WITHOUT COMPETITIVE BIDDING TO SAME

WHEREAS, it is necessary for the New Jersey Municipal Environmental Risk Management Fund (“EJIF”) to establish a defense panel comprised of qualified environmental attorneys to defend various actions for which the EJIF has an obligation to defend and indemnify; and

WHEREAS, the defense panel will be adjusted from time to time and is in addition to the services rendered by general counsel; and

WHEREAS, the defense panel contracts are awarded without competitive bidding as professional services contracts in accordance with the provisions of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., because said services are performed by persons licensed under law to practice a recognized profession; and

WHEREAS, the Chief Financial Officer of the EJIF has certified that sufficient funds are available for this purpose; and

WHEREAS, the Local Public Contracts Law requires that the resolution authorizing the award of a contract for professional services without competitive bidding, and the contract itself, be available for public inspection.

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

1. The following law firms are hereby established as the defense panel:

Fred Semrau, Esq.
Dorsey & Semrau
P.O. Box 228
714 Main Street
Boonton, NJ 07005

Peter J. King, Esq.
King Moench & Collins LLP
51 Gibraltar Drive, Suite 2F
Morris Plains, NJ 07950

M. James Maley, Jr., Esq.
Maley Givens
1150 Haddon Avenue, Suite 210
Collingswood, NJ 08108

Joseph DeCotiis, Esq. and Frank Borin, Esq.
DeCotiis, Fitzpatrick & Cole
Glen Pointe Centre West
500 Frank W. Burr Blvd.
Teaneck, NJ 07666

Ted Henry, Esq.
c/o Deasey Mahoney & Valentini, LTD
923 Haddonfield Road, Suite 300
Cherry Hill, NJ 08002

2. Professional services agreements are authorized and awarded to the above attorneys to provide professional legal defense services in accordance with the following fee schedule for defense attorneys for 2023:
 - a. Partners – \$175/hour
 - b. Associates with five years’ experience – \$150/hour
 - c. Associates - \$140/hour
 - d. Paralegals - \$85/hour
3. The contracts are awarded without competitive bidding as professional services contracts in accordance with the provisions of the Local Public Contracts Law because said services are performed by persons licensed under law to practice a recognized profession.
4. Notice of this action shall be published once in the EJIF’s official newspaper as required by law.
5. A copy of this Resolution shall be provided to the EJIF’s Chief Financial Officer and to each defense panel attorney named above for their information and guidance.
6. This Resolution shall take effect immediately.

ADOPTED: *this 5th day of January 2023 before the Governing Body*

Chairman

Secretary

RESOLUTION # 10-23

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
ESTABLISHING MEETING COMPENSATION FOR
BOARD OF COMMISSIONER MEMBERS
FOR THE 2023 FUND YEAR**

BE IT RESOLVED , the **NJ Municipal Environmental Risk Management Fund** shall, effective January 1, 1997, provide for payment to the Board of Fund Commissioners, pursuant to N.J.S.A. 40:A10-37 at the rate of \$150.00 per meeting; conditioned upon each member's attendance at the corresponding regularly scheduled meeting and attention to usual and customary duties between meetings.

BE IT FURTHER RESOLVED, a Board of Fund Commissioner member shall not be required to attend any additional meetings as a precondition to payment, nor shall any Executive Committee member be compensated for attendance at more than twelve (12) meetings per year.

ADOPTED: *this 5th day of January 2023 before the Governing Body*

Chairman

Secretary

RESOLUTION NO. 11-23

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter referred to as the “FUND”)

ESTABLISHING STANDING COMMITTEES FOR FUND YEAR 2023

WHEREAS, The New Jersey Municipal Environmental Risk Management Fund has substantially increased its membership, coverages and cumulative budget since its inception in 1995; and

WHEREAS, the resulting complexity of the New Jersey Municipal Environmental Risk Management Fund requires close scrutiny of its business affairs by fund commissioners; and

WHEREAS, this work can efficiently be reviewed by standing committees meeting separately throughout the year.

NOW, THEREFORE BE IT RESOLVED, that five (5) standing committees be established: **Coverage Committee, Rules & Contracts Committee, Budget & Finance Committee, Nominating Committee and Claims Committee;**

BE IT FURTHER RESOLVED, that these committees will operate under the charter agreements attached.

ADOPTED: *this 5th day of January 2023 before the Governing Body,*

Chairman

Secretary

COVERAGE COMMITTEE CHARTER

The Environmental Joint Insurance Fund hereby constitutes and establishes a Coverage Committee:

Composition

The Committee shall be comprised of up to three (3) members and shall be appointed by the Chairman of the Commission, and shall be chaired by a Commissioner of the EJIF. The Committee shall be assisted as needed by the Fund Actuary, Fund Attorney, a technical writer, Underwriting Managers, a representative from the Executive Director's office, a representative from the liability reinsurance company (which shall be a non-voting member), and up to eight (8) Risk Management Consultants. The term of each member shall be one (1) year.

Authority and Responsibility

The Coverage Committee is to serve as the focal point for communication on issues pertaining to Coverage, underwriting and reinsurance. The Coverage Committee shall advise the Commissioners on issues pertaining to Coverage requirements of members of the EJIF, Coverage issues in the insurance industry which should be addressed by the entity, the efficiency and clarity of communications between the EJIF and the insured regarding Coverage issues, the proposed role of the EJIF in addressing areas of insurance outside of its normal purview, retention and reinsurance issues, and underwriting guidelines.

Coverage Committee Bylaws

The Coverage Committee was established by charter approved by resolution of the EJIF Commissioners on January 29, 1997. The Committee's operational guidelines are set down herein and may be amended by the Commissioners.

Meetings

The Coverage Committee is to meet two (2) times a year, if necessary, and as many other times as the Committee Chairman deems necessary.

Attendance

Members of the Coverage Committee are requested to be present at all meetings. As necessary or desirable, the Chairman may request that other members of the management team attend to participate in discussions of particular issues.

Minutes

Minutes of each meeting are to be prepared and approved by Committee members and provided to the Commissioners.

Specific Duties

The Coverage Committee is to:

- 1.) Oversee the implementation of Coverage, underwriting, and retention and reinsurance policies instituted by the Commissioners.
- 2.) Monitor the needs of member municipalities to determine whether existing Coverages are adequate and appropriate.
- 3.) Identify trends and/or emergent issues which should be addressed by the EJIF in order to provide for appropriate protection of the financial interest of member communities.
- 4.) Review the retention structure of the Joint Insurance Funds, the EJIF, and the reinsurers to determine whether changes in the structure is needed in order to improve Coverage or to achieve economies.
- 5.) Evaluate whether changes in members' needs and/or loss patterns necessitate clarification or amendment of existing Coverage policies.
- 6.) Apprise the Commissioners, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.
- 7.) Recommend to the Commissioners any appropriate extensions or changes in the duties of the Committee.
- 8.) Report annually to the Commissioners on the discharge of the above responsibilities.

RULES and CONTRACTS COMMITTEE CHARTER

The Environmental Joint Insurance Fund hereby constitutes and establishes a Rules and Contracts Committee:

Composition

The Rules and Contracts Committee shall be comprised of at least three (3) members appointed by the Chairman of the Commissioners, one (1) of whom shall be an EJIF Commissioner, who shall serve as Chair of the Committee. Also serving on the Committee shall be EJIF Commissioners who are available and qualified.

Authority and Responsibility

The Rules and Contracts Committee shall review Professional Service Contracts for cost competitiveness, clarity of language, and adequacy of scope of service. At least yearly, the Committee shall advise the Commissioners regarding the renewal or awarding of such contracts. Additionally, the Committee shall advise the Commissioners regarding issues pertaining to Bylaws of the Fund.

Rules and Contracts Committee Bylaws

The Rules and Contracts Committee of the entity was established by charter approved by resolution of the Commissioners on January 29, 1997. The Committee's operational guidelines are set down herein and may be amended by the Commissioners.

Meetings

The Rules and Contracts Committee are to meet once a year, if necessary, and as many times as the Committee Chairman deems necessary.

Attendance

Members of the Rules and Contracts Committee are requested to be present at all meetings. In addition, a representative from the Executive Director's office shall also attend such meetings and the Fund Attorney shall provide legal assistance and shall be in attendance when requested. As necessary or desirable, the Chairman may request that professionals, whose contracts are under consideration, also attend in order to exchange view on any issue that may be at hand.

Minutes

Minutes of each meeting are to be prepared and approved by Committee members and provided to the Commissioners.

Specific Duties

In undertaking its responsibilities as outlined above, the Rules and Contracts Committee is to:

- 1.) Apprise the Commissioners, through minutes and special presentations as necessary, of significant developments in the course of performing its responsibility.
- 2.) Recommend to the Commissioners any appropriate extension or change in the duties of the Committee.
- 3.) Recommend to the Commissioners the retention or replacement of professionals and/or the amendment or approval of professional contracts.
- 4.) Report annually to the Commissioners on the discharge of the above responsibilities.
- 5.) Apprise the Commissioners through minutes and special presentations, as necessary, of significant developments in the course of performing the above duties.
- 6.) Recommend to the Commissioners any appropriate changes or extensions in the duties of the Committee.

BUDGET AND FINANCE COMMITTEE CHARTER

The Environmental Joint Insurance Fund hereby constitutes and establishes a Budget and Finance Committee:

Composition

The Committee shall be comprised of up to three (3) members and shall be appointed by the Chairman of the Commission, and shall be chaired by a Commissioner of the EJIF. The Committee shall be assisted as needed by the Fund Actuary, Executive Director, the Treasurer and other professionals on an as needed basis. The term of each member shall be one (1) year.

Authority and Responsibility

The Budget and Finance Committee is to serve as the focal point for communication on issues pertaining to budget, rates, finance, audit and investments.

Coverage Committee Bylaws

The Budget and Finance Committee was established by charter approved by resolution of the EJIF Commissioners on January 29, 1997. The Committee's operational guidelines are set down herein and may be amended by the Commissioners.

Meetings

The Budget and Finance Committee is to meet two (2) times a year, if necessary, and as many other times as the Committee Chairman deems necessary.

Attendance

Members of the Budget and Finance Committee are requested to be present at all meetings. As necessary or desirable, the Chairman may request that other members of the management team attend to participate in discussions of particular issues.

Minutes

Minutes of each meeting are to be prepared and approved by Committee members and provided to the Commissioners.

Specific Duties

The Budget and Finance Committee is to:

- 1.) Oversee the preparation of the annual budget.
- 2.) Review with the Treasurer the preparation and implementation of the Fund's Cash and Investment Management Plan.

- 3.) Review with the Auditor those findings and recommendations arising from the conduct of the annual audit which can improve upon the efficiency of operation or strengthen internal controls.
- 6.) Apprise the Commissioners, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.
- 7.) Recommend to the Commissioners any appropriate extensions or changes in the duties of the Committee.
- 8.) Report annually to the Commissioners on the discharge of the above responsibilities.

NOMINATING COMMITTEE CHARTER

The Environmental Joint Insurance Fund Commissioners hereby constitutes and establishes a Nominating Committee:

Composition

The Nominating Committee shall be comprised of at least three (3) members, all of whom shall be members of the Commissioners. One (1) of the Commissioners members shall serve as Chairman of the Committee. All members shall be appointed by Commissioners and their term shall be for one (1) year.

Authority and Responsibility

The Nominating Committee shall be charged with reviewing and nominating candidates for presentation in the event of a need to elect officers to the Commissioners or to appoint officers to subcommittees created by the Commissioners.

Nominating Committee Bylaws

The Nominating Committee was established by resolution approved by the EJIF Commissioners on January 29, 1997. The Committee's operational guidelines are set down herein and may be amended by majority vote of the Commissioners.

Meetings

The Nominating Committee is to meet once a year, if necessary, and as many other times as the Committee Chairman deems necessary.

Attendance

Members of the Nominating Committee are requested to be present at all meetings. The Committee Chairman may also request that individuals interested in being nominated to the Commissioners also attend the Committee meeting in order to be interviewed.

Minutes

Minutes of each meeting are to be prepared and approved by Committee members and provided to the Commissioners.

Specific Duties

The Nominating Committee is to:

- 1.) Compile and submit to the Commissioners a list of all individuals who have expressed an interest in serving as an officer or on subcommittees.
- 2.) Review and report to the general membership on the qualifications and background of the various candidates.
- 3.) Apprise the Commissioners, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.
- 4.) Recommend to the Commissioners any appropriate extension or changes in the duties of the Committee.
- 5.) Report annually to the Commissioners on the discharge of the above duties.