

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND  
OPEN MINUTES  
MEETING OF JANUARY 5, 2023  
ZOOM VIRTUAL MEETING  
10:50 AM**

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**SINE DIE MEETING**

Meeting called to order by Executive Director and Open Public Meeting Notice was read into the record.

Pledge of Allegiance

**ROLL CALL OF 2022 EXECUTIVE COMMITTEE:**

<b>Chairman:</b>	NJUA	Bernie Rutkowski	Present
<b>Secretary:</b>	PMM	Thomas Merchel	Present
<b>Executive Committee:</b>			
	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	Absent
<b>Alternates:</b>			
<b>#1</b>	Bergen	Paul Tomasko	Present
<b>#2</b>	Ocean	Veronica Laureigh	Present
<b>#3</b>	Central	William Northgrave	Present
<b>#4</b>	Sub-Muni	Megan Champney	Present
<b>#5</b>	Morris	Brian McNeilly	Present

**APPOINTED OFFICIALS PRESENT:**

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

**OTHERS PRESENT:**

Michael Razze, Pitman Borough, TRICO JIF  
Sherry Sims, Boonton HA, NJPHA JIF

Joseph Hrubash, PERMA  
 Dave Grubb, PERMA  
 Cate Kiernan, PERMA  
 Brad Stokes, PERMA  
 Pauline Kontomanolis, PERMA  
 Robyn Walcoff, PERMA  
 Zareena Majeed, PERMA  
 Nancy Ghani, PERMA  
 Jason Thorpe, PERMA  
 Tracy Lopez, PERMA  
 Brandon Tracy, PERMA  
 Crystal Chuck, PERMA  
 Sandra Cantwell, PERMA  
 Ed Cooney, Conner, Strong & Buckelew  
 Paul Forlenza, AJ Gallagher  
 Kamini Patel, AJ Gallagher  
 Paul Shives, JA Montgomery  
 John Casagrande, Danskin Agency  
 Alison Kelly, Danskin Agency  
 Dave Vozza, Vozza Agency  
 Ezio Altamura, GJEM-Otterstedt Agency  
 Matthew McArow Jr., GJEM-Otterstedt Agency  
 Frank Covelli, P.I.A.  
 Don Sciolaro, PIA  
 Lindsay Travali, Acrisure

**APPROVAL OF MINUTES:** November 9, 2022

**MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 9, 2022**

**MOTION:** Commissioner Merchel  
**SECOND:** Commissioner Wolk  
**VOTE:** Unanimous

**OLD BUSINESS:** None

**MOTION TO ADJOURN SINE DIE MEETING:**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Laureigh  
**VOTE:** Unanimous

Mr. Sacco asked for a roll call of the 2023 membership to establish a quorum.

**ROLL CALL OF 2023 MEMBERSHIP:**

NJUA	Bernie Rutkowski	Present
PMM	Thomas Merchel	Present
Burlco	Meghan Jack	Present
Monmouth	Thomas Nolan	Present

Camden	Joe Wolk	Present
South Bergen	Greg Franz	Present
Bergen	Paul Tomasko	Present
Ocean	Veronica Laureigh	Present
Central	William Northgrave	Present
Sub-Muni	Megan Champney	Present
Morris	Brian McNeilly	Present

**MOTION TO OPEN FLOOR FOR NOMINATIONS OF CHAIRMAN,  
SECRETARY, EXECUTIVE COMMITTEE, AND ALTERNATES:**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Wolk  
**VOTE:** Unanimous

Mr. Sacco referred to the slate as submitted by the Nominating Committee:

<b>Chairman:</b>	NJUA	Bernie Rutkowski
<b>Secretary:</b>	PMM	Thomas Merchel
<b>Executive Committee:</b>	Burlco	Meghan Jack
	Monmouth	Thomas Nolan
	Camden	Joe Wolk
	South Bergen	Greg Franz
	Ocean	Veronica Laureigh
	Central	William Northgrave
<b>Alternates:</b>		
	<b>#1</b> Bergen	Paul Tomasko
	<b>#2</b> Sub-Muni	Megan Champney
	<b>#3</b> Morris	Brian McNeilly
	<b>#4</b> Sub Metro	TBD
	<b>#5</b> TRICO	TBD

Mr. Sacco asked for additional nominations. Hearing none, Mr. Sacco asked for a motion to close nominations and confirm the slate as presented.

**MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTIONS AS  
RECOMMENDED BY THE NOMINATING COMMITTEE**

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

Fund Attorney administered oath of office for Chairman, Secretary, Executive Committee and all Board Members.

*Oaths of Office made a part of the Minutes*

**ROLL CALL OF 2023 EXECUTIVE COMMITTEE:**

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

Mr. Sacco indicated that he would review the reorganization resolutions with the committee. He requested the following Resolutions be considered for adoption in one motion, unless an Executive Committee member requests otherwise.

**RESOLUTION 1-23 CERTIFYING THE ELECTION OF CHAIRMAN AND SECRETARY FOR FUND YEAR 2023:** Chairman Bernie Rutkowski and Secretary Tom Merchel

**RESOLUTIONS 2-23 APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS:** The contracts are for a 1-year term.

Fund Attorney                                      Fred Semrau, Esq.  
 Qualified Purchasing Agent      The Canning Group

**RESOLUTIONS 3-23 APPOINTING BANKING MANAGER:**

Banking Manager                                      Citizens Bank

**Resolution 4-23 - Establishing a Funds Records Program**

**Resolution 5-23 - Establishing a Fiscal Management Plan**

**Resolution 6-23 - Establishing Public Meeting Procedures**

**Resolution 7-23 - Establishing Remote Meeting Procedures**

**Resolution 8-23 - Risk Management Plan.** Mr. Sacco noted the addition of a \$25,000 sub-limit for defense only for PFAS claims and aggregate of \$1m.

**Resolution 9-23 - Establishing a Defense Panel**

**Resolution 10-23 - Establishing Meeting Compensation for Board Members**

**Resolution 11-23 - Establishing Standing Committee**

Mr. Sacco asked for any comments or questions concerning the resolutions. Hearing none, he asked for a motion to adopt the 2023 Reorganization resolutions.

## MOTION TO ADOPT RESOLUTIONS NO. 1-23 THROUGH 11-23

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

### CORRESPONDENCE

None

### TREASURER

Mr. Cuccia said for approval in the agenda is Resolution No. 30-22 confirming the December Bill List and Resolution No. 13-23 approving the January Bill List:

#### RESOLUTION 30-22 -DECEMBER BILL LIST

FUND YEAR	AMOUNT
2022	\$ 665,816.86
<b>Total</b>	<b>\$ 665,816.86</b>

#### RESOLUTION 12-23 - JANUARY BILL LIST

FUND YEAR	AMOUNT
2022	\$4,202.62
2023	\$60,629.80
<b>Total</b>	<b>\$64,832.42</b>

### MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 30-22 AND 12-23

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

Mr Cuccia reported that the JCMi has changed asset manager to Eagle Asset Management, a subsidiary of Raymond James. They purchased their first bond anticipation note at 4% which will strengthen their net value.

### EXECUTIVE DIRECTOR/ADMINISTRATOR REPORT:

**2023 PROFESSIONAL CONTRACTS** – Mr. Sacco said the Fund is currently in the third year of three-year contract terms for most of the Fund Professionals and Servicing Organizations and reserves the right to extend the contracts an additional two years. The Rules and Contracts committee will meet to review the professionals and will report to the Board if they recommend extending those contracts.

**EJIF DATA AND ORIGAMI** – Underground and above ground storage tank data has been loaded into Origami and is visible for members to review and export to Excel or PDF.

**FINANCIAL FAST TRACK** – Mr. Sacco said the Financial Fast Track as of September 30, 2022 shows a \$1.3 million deficit as a result of the \$2.5 million dividend distributed. The Fund's statutory surplus position is at \$19.2 million and the Fund is in excellent financial shape.

Mr. Sacco thanked Joe Catenaro for all his hard work throughout the years and said he is going to be missed.

#### **ATTORNEY:**

Mr. Semrau thanked the Board for reappointment and said he is very grateful for the opportunity to serve the Fund.

The Fund has done well this past year and sited the favorable outcome of the Shark River cleanup vs. Wall Township claim and the level of success in handling the PFAS and PFOS claims. He credited Jim Maley for obtaining the dismissal in the potential PFAS class action against Mahwah Township. The Fund also approved a limited defense fund for PFAS / PFOS claims, which is not offered in any commercial insurance market. The Fund is in good position after issuing the sweep letter last fall concerning the change in 'forever chemical' coverage.

The Fund will continue to defend the federal aspect of the Newark Bay case, after successfully defending the case at the state level. Peter King and Mr. Sacco guided the team to recoup defense costs, and defense costs were consolidated by having 3 attorneys handle the 36 towns that were named in that suit.

Finally, the Fund is working with our lobbyist to amend legislation regarding Title 59 immunities for 2023 that will protect our members with respect to the new water regulations.

Mr. Sacco added that the lobbyist arranged the meeting for himself and Mr. Semrau to meet with Senator Smith on this legislation and are encouraged by the Senator's response. The next step is a meeting with the Senate President, and Senator Smith offered to attend this meeting as well.

#### **UNDERWRITING MANAGERS:**

Mr. Casagrande said the endorsement outlining the PFAS and PFOS exclusion and the \$25,000 defense sublimit is in the Risk Management Plan.

Secondly the excess coverage is bound with Ascot, which is the same carrier the Fund used last year and at the same limits as last year with a \$3 million retention.

Lastly the storage tank policies were distributed in mid-December. The number of underground tanks continue to decrease as more members move to above ground tanks. Please remember to renew tank registration and include a copy of the full policy, and keep a copy of the policy on site.

#### **ENVIRONMENTAL ENGINEER:**

Mr. Erickson thanked the Board for the appointment on behalf of First Environment and said he is honored to be a part of this Fund and good it offers to the state of New Jersey.

Mr. Erickson said his agenda report gives a brief summary of the storm water efforts and members should be aware that as of January 1, 2023 there is a new storm water permit that was released by the state the first week of December. In December he delivered a seminar to the authority members at their safety meeting outlining some of the aspects regarding above ground storage tanks.

#### **ACTUARY**

Mr. Kullman indicated that he had nothing to report but thanked the Board for re-appointment.

## OLD BUSINESS:

None.

## NEW BUSINESS:

Mr. Hrubash introduced Michael Razze, who is slated to join as the EJIF representative for TRICO, replacing Bob Law.

## MEETING OPENED TO PUBLIC FOR COMMENT:

No public comments were made.

Mr. Semrau said today's meeting was advertised to be in person at Forsgate Country Club and there is a PERMA representative available at that location for any members of the public that were intending to participate. Our representative was prepared to access this meeting via Zoom to allow for remote access.

## EXECUTIVE SESSION

Mr. Sacco confirmed there was no need to enter into Executive Session and Mr. King will give an overview of the claims.

Mr. Semrau confirmed if a need arose, we would go into closed session.

## CLAIMS COMMITTEE

Mr. King said there are 10 PARs: three claims resulting from the PFOA/PFOS sweep letter, two claims are close out claims that require additional funds, one tort claims notice, one claim concerning a heating oil delivery, one tank claim, one claim involving a hydraulic system from a garbage truck, and one claim from a street improvement where three were three gas stations and contamination. Mr. King gave a review of each claim to the Board.

Authority	E-JIF#	Claimant	Date of Loss	Proposed Pmt. Authority
Wall – Shark River	BUY16-3	Wall	10/20/2016	\$7,000
Evesham	NON22- 18	Evesham	10/12/2022	\$15,000
Woodbridge Township	NON22- 20	Christine Cascarelli	10/31/2022	\$15,000
North Caldwell	NON22- 21	North Caldwell	11/23/2022	\$23,000
Park Ridge	NON22- 22	Richard S. Mazawey, Esq.	11/23/2022	\$25,000
Two Rivers Water Rec. Auth.	NON22-23	Two Rivers Water Rec. Auth.	12/30/2022	\$15,000
Brick MUA	NON22- 24	Brick MUA	12/30/2022	\$25,000
Boro of Mountainside	NON22- 25	Boro of Mountainside	12/19/2022	\$25,000
Evesham MUA	NON22- 26	Evesham MUA	12/21/2022	\$15,000
City of Vineland	TANK22- 6	City of Vineland	12/27/2022	\$15,000

Mr. Sacco asked for a motion to approve the PARS as presented.

**MOTION TO APPROVE THE PARS AS PRESENTED:**

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

**MOTION TO ADJOURN MEETING**

**MOTION:** Commissioner Merchel  
**SECOND:** Commissioner Wolk  
**VOTE:** Unanimous

Meeting Adjourned: 11:21 AM

*Next Meeting:*

**March 24, 2023**

Prepared by Sandra Cantwell, Assistant Secretary



**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***

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Chairman

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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***

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Chairman

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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](http://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](mailto: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 5<sup>th</sup> day of January 2023 by the Governing Body***

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Chairman

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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***

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Chairman

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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

# 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
			<b>3,750.00</b>
001879			
001879	THE CANNING GROUP LLC	QPA SERVICES 12/1/22-12/31/22	416.67
			<b>416.67</b>
001880			
001880	ACCESS	ACCT 736 CUST 224 ARC/STORE 11.30.22	35.95
			<b>35.95</b>
<b>Total Payments FY 2022</b>			<b>4,202.62</b>

**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
			<b>28,512.83</b>
001882			
001882	DORSEY & SEMRAU	FUND ATTORNEY 01/23	7,722.76
			<b>7,722.76</b>
001883			
001883	CHARLES CUCCIA	FUND TREASURER 01/23	1,810.90
			<b>1,810.90</b>
001884			
001884	DANSKIN INSURANCE AGENCY	UNDERWRITING MGR FEE 01/23	22,583.31
			<b>22,583.31</b>
<b>Total Payments FY 2023</b>			<b>60,629.80</b>
<b>TOTAL PAYMENTS ALL FUND YEARS</b>			<b>64,832.42</b>

Chairperson: \_\_\_\_\_ Attest: \_\_\_\_\_

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

Treasurer \_\_\_\_\_ Dated: \_\_\_\_\_