

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF JUNE 1, 2017
JAMESBURG, NEW JERSEY
10:50 AM**

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

Pledge of Allegiance

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Chairman:	Central	Robert Landolfi	Present
Secretary:	Sub Essex JIF	Joe Catenaro	Present
Executive Committee:	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	Sub-Muni	Jim Gildea	Present
	Trico	Robert Law	Present
	Ocean	Paul Shives	Present
	South Bergen	Greg Franz	Absent
Alternates:			
	#1 Bergen	Paul Tomasko	Present
	#2 Burlco	Meghan Jack	Present
	#3 NJUA	Bernie Rutowski	Present
	#4 PMM	Tom Czeniecki	Present
	#5 Morris	Michael Guarino	Present

APPOINTED OFFICIALS PRESENT:

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

OTHERS PRESENT:

David Grubb, PERMA
Joseph Hrubash, PERMA
Cate Kiernan, PERMA
Brad Stokes, PERMA
Pauline Kontomanolis, PERMA
Nancy Ghani, PERMA
Jason Thorpe, PERMA
Joen Ciannella, PERMA
Ed Cooney, CS&B
Alison Kelly, Danskin Agency
John Casagrande, Danskin Agency
Ezio Altamura, RMC
Frank Covelli, RMC
Paul Forlenza, AJ Gallagher
Jack Dibble, AJ Gallagher
Chris Botta, CB Claims

APPROVAL OF MINUTES: March 1, 2017

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF MARCH 1, 2017

MOTION: Commissioner Wolk
SECOND: Commissioner Catenaro
VOTE: Unanimous

CORRESPONDENCE

None

TREASURER

Mr. Cuccia presented his report and Resolution Nos. 14-17, 15-17, 16-17 and 17-17 confirming the April, April Supplemental and May Bill Lists and Resolution No. 17-17 approving the June Bill List as follows:

RESOLUTION 14-17 - APRIL BILL LIST

FUND YEAR	AMOUNT
2017	\$ 181.35
2017	\$ 76,021.15
Total	\$ 76,202.50

RESOLUTION 15-17 -APRIL BILL LIST

FUND YEAR	AMOUNT
2017	\$2,039,903.63
Total	\$2,039,903.63

RESOLUTION 16-17 - MAY BILL LIST

FUND YEAR	AMOUNT
2017	\$ 400.00
2017	\$ 67,786.98
Total	\$ 68,186.98

RESOLUTION 17-17 - JUNE BILL LIST

FUND YEAR	AMOUNT
2017	\$ 15,339.00
2017	\$ 61,462.50
Total	\$ 76,801.50

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 14-17, 15-17, 16-17 AND 17-17

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

AUDITOR AND ACTUARY YEAR-END REPORTS - Mr. Sacco referred to the Audit Report as of December 31, 2016 that was emailed to the Executive Board prior to the meeting. He informed the Board that Mr. Jones from Nisivoccia and Company was present at the meeting to review the Audit Report. Mr. Jones began by reviewing the Statement of Revenue, Expenses and Changes in Net Position breakdown contained within the audit report. He informed the Board that the Fund has just over \$16.6 million in Net Position and is excellent financial condition as of the end of 2016. Mr. Jones then referred to the Auditors' Management Report which was also distributed to the Executive Board prior to the start of the meeting. He indicated that there were no findings or recommendations. Following Mr. Jones' presentation, Chairman Landolfi requested a motion to adopt the Resolution certifying the 2016 Audit and indicated that the Group Affidavit had to be executed.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION #18-17 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.

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

ACTUARIAL IBNR ESTIMATES – Mr. Sacco indicated that the EJIF’s Actuarial IBNR Estimates valued as of March 31, 2017 was enclosed within the agenda booklet. He noted that the Fund’s actuary, Mr. Kullmann of Aon was present and asked him to give a brief report. Mr. Kullmann reported that the loss experience for the Fund has continued to be favorable. He noted that the favorable loss experience has resulted in the estimated IBNR being decreased from was 6.5 million at year-end 2016 to 5.9 million at as of March 31, 2017. He added that with regards to ultimate losses the changes represent a decrease of approximately 1.3 million in ultimate loss for known claims reported as of 12/31/16.

RFQ PROCESS- Mr. Sacco indicated that in 2014 the Executive Committee awarded contracts to the Fund professionals pursuant to the Fair and open process. He noted that the appointments were made for a three-year term for the professionals listed below. Mr. Sacco advised that the end of that term is approaching and we will need to advertise for all fund professional positions for the 2018, 2019, and 2020 fund years. The Fund will advertise pursuant to N.J.S.A. 19:44A-20.4 et. seq for the positions of :

- Fund Executive Director
- Fund Attorney
- Fund Defense Attorney(s)
- Fund Actuary
- Fund Auditor
- Fund Claims Administrator
- Fund Treasurer
- Fund Underwriting Manager

Mr. Sacco added that these positions will be published based on the prior established criteria pursuant to a Fair and Open process.

MOTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ADVERTISE ALL FUND PROFESSIONAL POSITIONS FOR FUND YEARS, 2018, 2019 AND 2020 PURSUANT TO THE FAIR AND OPEN PROCESS AND TO N.J.S.A. 19:44A-20.4 ET. SEQ. USING PRIOR ESTABLISHED CRITERIA

MOTION: Commissioner Tomasko
SECOND: Commissioner Rutowski
VOTE: Unanimous

REVISED BUDGET – Mr. Sacco referred to the revised 2017 budget enclosed within the agenda packet. He noted that the revisions reflect the changes in membership to the local JIF’s for 2017 and asked for a motion to approve. .

MOTION TO APPROVE THE REVISIONS TO THE 2017 BUDGET TO REFLECT THE CHANGES IN MEMBERSHIP.

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

LEGISLATIVE AGENT RFQ (Page 13) – Mr. Sacco reported that the RFQ for the position of legislative agent was due on March 29, 2017. He informed the Board that there was one RFQ response received and it was from the incumbent, Princeton Public Affairs Group (PPAG). He advised that the Rules and Contract Committee reviewed the response and is recommending a 1 year contract be awarded to PPAG.

MOTION TO AWARD A 1 YEAR CONTRACT TO PRINCETON PUBLIC AFFAIRS GROUP FOR THE POSITION OF LEGISLATIVE AGENT.

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

FINANCIAL FAST TRACK – Mr. Sacco referred to Financial Fast Track as of March 31, 2017 enclosed within the agenda booklet. He indicated that the Fund increased its surplus position by 1.4 million. He informed the Committee that the Fund's statutory surplus position is now over 18 million and added that the Fund is in excellent financial shape.

ATTORNEY:

Mr. Semrau reported that with regards to the Newark Bay claim, the attorneys continue to work on the recovery process. He advised that the process should be exhausted over the next few months.

UNDERWRITING MANAGERS:

Mr. Casagrande reported that the Coverage Committee met on 05/23/2017 to consider a number of action and informational items. He advised that the proposed Storage Tank Policy Form was reviewed and while favorably received, the committee asked for all the Fund Professionals to review the suggested form carefully before recommending adoption of this policy document by the September EJIF Meeting. He added that there is no intention to change coverage. Mr. Casagrande also reported that a suggested endorsement to the EJIF EIL Policy to cover temporary transit coverage was introduced for all to consider. He noted that the coverage would provide a \$250,000 sublimit for such coverage. Mr. Casagrande informed the Board that the Coverage Committee asked for a judicious review of the form and will also request the Underwriting Manager for the MEL for his recommendation. The intention is to introduce a finalized form for adoption at the September EJIF Meeting. Mr. Casagrande reported that a discussion took place with regards to property screenings. He noted that the Fund Attorney has prepared a proposal that will be reviewed by the EJIF professionals. He added that much discussion followed as to the efficacy of this service, whether the service should be annually limited based on local unit size, and perhaps expanding the scope of services. No definitive consensus was achieved and the EJIF Chairman charged all to consider options to make this service more meaningful for the EJIF Membership. Lastly, Mr. Casagrande indicated that the final action item was a review of the inspection scoring process. He advised that the history of this process and the how the scoring was developed was reviewed. He informed the Board that Mr. Erickson has recommended that the Fund delay that process until the new stormwater and tank regulations are finalized in the near future.

ENVIRONMENTAL ENGINEERING:

Mr. Erickson reported that the DEP has issued a letter of guidance on UST requirements and training through Rutgers University. .

Mr. Gulics reported that Risk Managers are now sending out UST and AST reports indicating what they believe the member has based on the Engineer’s last inspection. He indicated that there are a lot of modification requests coming back via email. Mr. Gulics asked that the members pay close attention to that list to confirm accuracy.

ACTUARY

Mr. Kullman indicated that he had nothing further to report.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

MEETING OPENED TO PUBLIC FOR COMMENT:

Mr. Covelli commented that the E-JIF was incredible in its response to the plane crash in Carlstadt, NJ. He thanked Mr. Sacco and Mr. Erickson for their assistance. .

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

MOTION TO ADJOURN MEETING

MOTION:	Commissioner Wolk
SECOND:	Commissioner Nolan
VOTE:	Unanimous

Meeting Adjourned: 11:10 AM

Next Meeting:

**September 2017
Forsgate CC
Jamesburg, NJ**

Respectfully submitted,

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 14-17

APRIL 2017

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the New Jersey Municipal Environmental Risk Management Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001096			
001096	NJ ADVANCE MEDIA	ACCT: XNJENO555599 - 12/9/16 - PUBL NOTI	181.35
			181.35
Total Payments FY 2016			181.35

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001087			
001087	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 02/2017	29.61
001087	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 04/2017	21,267.50
001087	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE JAN-MAR'17 ADJUST	223.00
			21,520.11
001088			
001088	DORSEY & SEMRAU	ATTORNEY FEE 2ND QTR 2017	18,636.21
001088	DORSEY & SEMRAU	LESS: ATTORNEY FEE 1ST QTR 2017 - ADJUST	-129.00
			18,507.21
001089			
001089	CHARLES CUCCIA	TREASURER FEE 04/2017	1,608.00
			1,608.00
001090			
001090	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 04/2017	18,123.86
			18,123.86
001091			
001091	NJ ADVANCE MEDIA	ACCT: XNJEN0555599 - 3/7/17 - FUND MTG	46.50
			46.50
001092			
001092	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE 1/3 MTG EXPENSES ON 3/1/17 SS	778.97
			778.97
001093			
001093	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR 2/28/2017	23.79
			23.79
001094			
001094	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FEE 02/2017	15,185.17
			15,185.17
001095			
001095	TOWNSHIP OF TOMS RIVER	TAX ACCT: 30406 - 2016	227.54
			227.54
Total Payments FY 2017			76,021.15

TOTAL PAYMENTS ALL FUND YEARS \$ 76,202.50

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

Resolution No. 15-17

APRIL 2017

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the New Jersey Municipal Environmental Risk Management Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000490			
000490	N.J. MUNICIPAL ENVIRONMENTAL	TRANSFER CASH FROM WF TO INVESTORS	2,039,903.63
			2,039,903.63
	Total Payments FY		
		Total Payments FY 2017	2,039,903.63

TOTAL PAYMENTS ALL FUND YEARS \$ 2,039,903.63

Chairperson

Attest:

Dated: _____

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

Treasurer

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 16-17

MAY 2017

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the New Jersey Municipal Environmental Risk Management Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001097			
001097	BARRINGTON BOROUGH	UNDERGROUND PIPE TESTING - 10/3/16	400.00
			400.00
		Total Payments FY 2016	400.00

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001098			
001098	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 3/2017	5,053.94
001098	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 2/2017	2,807.21
			7,861.15
001099			
001099	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 04/2017	27.89
001099	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 05/2017	21,488.81
001099	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE - 03/2017	1.59
			21,518.29
001100			
001100	CHARLES CUCCIA	TREASURER FEE 05/2017	1,608.00
			1,608.00
001101			
001101	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 05/2017	18,312.82
			18,312.82
001102			
001102	WEST MILFORD TOWNSHIP	UNDERGROUND PIPE TESTING 3/22/17	400.00
			400.00
001103			
001103	NJ ADVANCE MEDIA	ACCT: XNJEN0555599 - 3/28/17 - JUN MTG	13.95
			13.95
001104			
001104	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR - 3/31/17	23.79
			23.79
001105			
001105	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 03/2017	18,048.98
			18,048.98
		Total Payments FY 2017	67,786.98

TOTAL PAYMENTS ALL FUND YEARS \$ 68,186.98

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

Resolution No. 17-17

JUNE 2017

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the New Jersey Municipal Environmental Risk Management Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001106			
001106	NISIVOC CIA LLP	AUDITOR FEE 4/30/2017 FOR FY 2016	15,339.00
			15,339.00
		Total Payments FY 2016	15,339.00

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001107			
001107	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 06/2017	21,488.81
			21,488.81
001108			
001108	CHARLES CUCCIA	TREASURER FEE 06/2017	1,608.00
			1,608.00
001109			
001109	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 06/2017	18,312.82
			18,312.82
001110			
001110	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR 4/30/2017	23.79
			23.79
001111			
001111	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 04/2017	20,029.08
			20,029.08
		Total Payments FY 2017	61,462.50

TOTAL PAYMENTS ALL FUND YEARS \$ 76,801.50

New Jersey Municipal Environmental Risk Management Fund

Resolution #18-17

**Resolution of Certification
Annual Audit Report for Period Ending December 31, 2016**

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2016 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each Fund Commissioner, and

WHEREAS, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

WHEREAS, the Local Finance Board has promulgated a regulation requiring that the Fund Commissioners of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all Fund Commissioners have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments
and
Recommendations

and

WHEREAS, the Fund Commissioners have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments
and
Recommendations

as evidenced by the group affidavit form of the Fund Commissioners.

WHEREAS, such resolution of certification shall be adopted by the Fund Commissioners no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

WHEREAS, all Fund Commissioners have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of

New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the Fund Commissioners to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW, THEREFORE, BE IT RESOLVED, that the Fund Commissioners of the **New Jersey Municipal Environmental Risk Management Fund**, hereby state that they have complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

**I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE
RESOLUTION PASSED AT THE MEETING HELD ON: June 1, 2017**