

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF SEPTEMBER 4, 2013
JAMESBURG, NEW JERSEY
10:50 AM**

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

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairman:	Monmouth	Thomas Nolan	Absent
Secretary:	Camden	Joe Wolk	Present
Executive Committee:	NJUA	Jerry Cevetello	Present
	South Bergen	Peggy Thomas	Present
	Ocean	Paul Shives	Present
	Morris	Frank Wilpert	Present
	Burlco	Richard Brook	Present
	Central	Robert Landolfi	Present
Alternates:			
	#1 Bergen	Ken Gabbert	Present
	#2 Sub Essex JIF	Joe Catenero	Present
	#3 Sub-Muni	Jim Gildea	Present
	#4 PMM	Scott Carew	Absent
	#5 Trico	Robert Law	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	Perma Risk Management Services	James Kickham	Present
Attorney	Dorsey & Semrau	Fred Semrau, Esq.	Present
Treasurer		Charles S. Cuccia	Present
Underwriting Managers	The Danskin Agency Conner Strong & Buckelew	Cindy Lisa Chuck Casagrande Mike Avalone	Present Present Present
Claims Administrator	King and Petracca	Peter King, Esq.	Present
Environmental Engineering Services	TBD		
Actuary	AON	Chaz Kullman	Present
Auditor	Nisivoccia, L.L.P.	Francis "Bud" Jones	Absent

OTHERS PRESENT:

David Grubb, Perma
Steve Sacco, Perma
Jason Thorpe, Perma
Cate Kiernan, Perma
Mary Lou Doner, Perma
Nancy Ghani, Perma
Joeen Ciannella, Perma
Joe Harvey, Joe Harvey & Assoc.
Frank Covelli, RMC
David McHale, JA Montgomery
Rich Erickson, First Environment
Chris Gullics, T&M Associates

APPROVAL OF MINUTES: June 6, 2013

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF JUNE 6, 2013

MOTION: Commissioner Cevetello
SECOND: Commissioner Gildea
VOTE: Unanimous

CORRESPONDENCE :

None.

TREASURER

Mr. Charles Cuccia presented his report and Resolution No. 19-13 confirming the July Bill List, Resolution No. 20-13 approving the August Bill List, Resolution No. 21-13 approving the September Bill List as follows:

RESOLUTION 19-13 JULY BILL LIST

FUND YEAR	AMOUNT
2012	\$ 75.30
2013	\$ 58,938.64
Total	\$ 59,013.94

RESOLUTION 20-13 AUGUST BILL LIST

FUND YEAR	AMOUNT
2013	\$ 60,619.42
Total	\$ 60,619.42

RESOLUTION 21-13 SEPTEMBER BILL LIST

FUND YEAR	AMOUNT
2013	\$ 43,008.97

Total	\$ 43,008.97
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MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 19-13, 20-13 AND 21-13

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

REGULATORY AFFAIRS – Mr. Sacco informed the Board that the Fund Office filed the 2012 Year End Audit, Certification of the Audit adopted by the Executive Committee, Actuarial Valuation and Actuarial Certification with the Department of Banking and Insurance. In addition, the Synopsis of Audit was published in the Fund’s newspaper.

2014 BUDGET PROCESS – Mr. Sacco referred the Committee to the 2014 draft budget workshop agenda enclosed within the agenda booklet and gave an overview. He noted that the Finance committee met via teleconference on September 3, 2013 to discuss the proposed 2014 budget and dividend recommendation. Mr. Sacco added that there is going to be an overall increase of 2.0% for the 2014 Budget. After review, it was the recommendation of the Finance Committee to approve the proposed budget.

MOTION TO INTRODUCE THE 2014 BUDGET FOR THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF \$4,221,803 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 16, 2013 AT THE FORSGATE CC, JAMESBURG, NJ AT 10:50 AM.

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

2013 DIVIDEND - Mr. Sacco advised that the Finance Committee also met via teleconference to review possible dividend disbursement. After a discussion, the Finance Committee recommends a dividend of \$450,000.

MOTION TO ADOPT RESOLUTION #22-13 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$450,000.

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

RFQ RESULTS- Mr. Kickham indicated that The EJIF received seven (7) responses to its published RFQ for the position of Environmental Engineer. Commissioner Cevetello, Chairman of the Rules and Contracts

committee, informed the Board that the sub committee met to review the submissions received and conducted interviews for the position of Environmental Engineer.

Mr. Kickham advised that after an extensive review process, the Rules and Contracts committee is recommending the EJIF enter into contracts with both T & M Associates and First Environmental. He noted that the service of the membership will be divided between the two firms by geographical location of each JIF. He advised that hiring the 2 firms will help streamline the process and make it more efficient. Mr. Kickham added that the sub-committee is also recommending that the other 5 respondents be placed on an approved list and their services will be utilized when the Fund requires a LSRP. He noted that since the other 5 respondents have already gone through the RFQ process, there would be no issues in retaining their services on an as needed basis. Commissioner Cevetello thanked his fellow sub-committee members as well as Mr. Kickham, Mr. Sacco, and Mr. Thorpe for their hard work throughout the review process.

MOTION TO APPOINT T & M ASSOCIATES AND FIRST ENVIRONMENT AS THE EJIF'S ENVIRONMENTAL CONSULTANTS AND TO APPROVE BOSWELL ENGINEERING, TETRA TECH, FRENCH & PARRELLO, BRILLIANT ENVIRONMENTAL SERVICES AND REMINGTON & VERNICK ON AN AS NEEDED BASIS FOR CASES THAT REQUIRE A LRSP

MOTION:	Commissioner Cevetello
SECOND:	Commissioner Wilpert
ROLL CALL VOTE:	Unanimous

SENATE TESTIMONIAL- Mr. Kickham referred to Fund Commissioner Thomas Duch's Senate testimonial enclosed within the agenda booklet. He noted that he had a chance to hear Commissioner Duch's testimonial and indicated that he did an excellent job at the June 13, 2013 Senate Hearing.

PPAG REPORT- Mr. Kickham informed the Board that he had a report from Mr. Hagan of PPAG. He indicated that the Fund is out of the first committee for both the Senate and the Assembly on Bill 2094 and A3128. He advised that there is great opposition from the chemical industry and the environmentalists but noted that Mr. Hagan is still pushing ahead. Mr. Kickham reminded the Board that this is in regards to the Passaic River litigation and the attempt of redefining waste water and storm water into the Spill Fund.

NJ DEP NOTICE- Mr. Kickham referred to the public notice from the Department of Environmental Protection enclosed within the agenda booklet. He indicated that the notice was published in the Monday, July 1, 2013, New Jersey Register and pertains to the settlement of the Passaic River litigation. Mr. Kickham advised that effectively the members will have to pay \$95,000 to be released out of that litigation. He noted that \$50,000 will come from the EJIF and the excess \$45,000 will be delayed payment by the State. He also noted that the Fund is attempting to recover money from the previous insurers.

WEB SITE- A reminder that the EJIF's web site is up and running and can be found at www.NJEJIF.org.

NEXT MEETING- The next meeting of the EJIF is scheduled for October 16, 2013 at the Forsgate CC, Jamesburg.

ATTORNEY:

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

CLAIMS:

Mr. King indicated that his report would be given during closed session.

UNDERWRITING MANAGERS:

UGP ASSOCIATED WITH ASTs – Mr. Casagrande indicated that the compliance date deadline of July 1, 2013 passed. He informed the Board that there was less than 50% compliance and referred to the reminder notice that was sent to effected members who have lost coverage on those underground pipes. The reminder notice indicated that members have the ability to reinstate coverage and one-time reimbursement of testing expenses up to \$400 per test.

UST BULLETIN – Mr. Casagrande once again informed the Committee that the E-JIF issued its annual bulletin reminding members that the Fund will no longer cover 20+ year old unregulated underground tanks after January 1, 2014. He reminded the Board that 2013 will be the last year that the Fund will cover these tanks. Mr. Casagrande added that the bulletin was mailed all members in February.

POLICY REWRITE – Mr. Casagrande indicated that the Policy Rewrite has started again. He advised that there is an extensive review process and indicated that updates will be given.

With nothing further, Mr. Casagrande concluded his report.

ACTUARY:

Mr. Kullman informed the Board that his firm has completed the 2014 budget analysis and referred to the results enclosed within the agenda booklet. He advised that as part of their analysis, they reviewed updated exposures by member entity, reviewed the June 30th loss data, and incorporated the 2010 census data according to 3 year transition plan that is in place.

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

Mr. Erickson thanked the Board for the appointment and stated that he is delighted to continue working with the Fund. He added that he and Mr. Gulics appreciate the vote of confidence.

CLOSED SESSION:

MOTION TO ENTER EXECUTIVE SESSION TO DISCUSS CLAIMS/POTENTIAL LITIGATION

MOTION: Commissioner Cevetello
SECOND: Commissioner Shives
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION

MOTION: Commissioner Shives
SECOND: Commissioner Gildea
VOTE: Unanimous

MOTION TO APPROVE THE PARS AS PRESENTED DURING CLOSED SESSION

MOTION: Commissioner Catenaro
SECOND: Commissioner Brook
VOTE: Unanimous

MOTION TO ADJOURN MEETING

MOTION: Commissioner Wilpert
SECOND: Commissioner Thomas
VOTE: Unanimous

Meeting Adjourned: 11:20 AM

Next Meeting:

**October 2013
Forsgate CC – Jamesburg**

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

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

Resolution No. 19-13

JULY 2013

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 2012

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000063			
000063	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 12/2012	75.30
			75.30
		Total Payments FY 2012	75.30

FUND YEAR 2013

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000064			
000064	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 06/2013	4.34
000064	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR - 07/2013	19,875.52
000064	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 05/2013	83.94
			19,963.80
000065			
000065	AON RISK CONSULTANTS, INC.	ACTUARIAL SERVICES - APR - JUNE 2013	15,163.00
			15,163.00
000066			
000066	CHARLES CUCCIA	TREASURER FEE 07/2013	1,490.78
			1,490.78
000067			
000067	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 6/5/13 - 7/4/13	4,500.00
			4,500.00
000068			
000068	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 07/2013	16,960.00
			16,960.00
000069			
000069	THE STAR LEDGER	ACCT NO. XNJEN0555599 - 06/17 - MTG	23.20
000069	THE STAR LEDGER	ACCT NO. XNJEN0555599 - 05/17 - MTG	23.20
			46.40
000070			
000070	MUNICIPAL EXCESS LIABILITY JIF	MEETING - 06/06/13	751.67
			751.67
000071			
000071	ALLSTATE INFORMATION MANAGEMNT	DEPT: 736 - ACT & STOR - 05/31/2013	15.49
			15.49
000072			

000072

SPARK CREATIVE GROUP LLC

WEBSITE MANAGEMENT - 05/2013

47.50

47.50

Total Payments FY 2013

58,938.64

TOTAL PAYMENTS ALL FUND YEARS \$ 59,013.94

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

Resolution No. 20-13

AUGUST 2013

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

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

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

FUND YEAR 2013

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000073			
000073	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 07/2013	4.80
000073	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 08/2013	19,875.52
			19,880.32
000074			
000074	FRED SEMRAU, ESQ.	ATTORNEY FEE 3RD QTR 2013	17,416.95
			17,416.95
000075			
000075	CHARLES CUCCIA	TREASURER FEE 08/2013	1,490.78
			1,490.78
000076			
000076	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 7/5/13-8/4/13	4,500.00
			4,500.00
000077			
000077	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 08/2013	16,960.00
			16,960.00
000078			
000078	THE STAR LEDGER	ACCT XNJEN0555599 - 07/18/2013	354.96
			354.96
000079			
000079	ALLSTATE INFORMATION MANAGEMNT	DEPT: 736 - ACT & STOR - 06/30/2013	16.41
			16.41

Total Payments FY 2013 60,619.42

TOTAL PAYMENTS ALL FUND YEARS \$ 60,619.42

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

Resolution No. 21-13

SEPTEMBER 2013

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

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

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

FUND YEAR 2013

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000080			
000080	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 09/2013	19,875.52
			19,875.52
000081			
000081	CHARLES CUCCIA	TREASURER FEE 09/2013	1,490.78
			1,490.78
000082			
000082	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 8/5/13-9/4/13	4,500.00
			4,500.00
000083			
000083	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER - 09/2013	16,960.00
			16,960.00
000084			
000084	ALLSTATE INFORMATION MANAGEMNT	DEPT: 736 - ACT & STOR - 07/31/13	16.42
			16.42
000085			
000085	SPARK CREATIVE GROUP LLC	WEBSITE MANAGEMENT - 06/07-13	166.25
			166.25

Total Payments FY 2013

43,008.97

TOTAL PAYMENTS ALL FUND YEARS \$ 43,008.97

RESOLUTION NO. 22-13

**RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND
AUTHORIZING REFUND OF THE 2000 FUND YEAR SURPLUS ACCOUNTS.**

WHEREAS, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Executive Committee has determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the **New Jersey Environmental Risk Management**, As Follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from funds other than those specified for Legal Liability, Defense or Environmental Services.

2. The Executive Committee has balanced the interests of the members in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. It is the conclusion of the Executive Committee that **\$450,000** can be refunded from the 2000 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be **\$450,000**.

3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

4. This authorization is based upon the Auditor's Report of the Historical Operating Results as of December 31, 2012. The aforementioned refund monies shall be allocated, as required and necessary, from the Fund years mentioned above.

5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member for the years in question, provided, however, the FUND Treasurer shall deduct the amount owed by the member local unit for any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the

FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.

E-JIF

Attest:

Chairman

Secretary