

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF September 15, 2023
FORESTGATE, NJ
10:50 AM**

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

Pledge of Allegiance.

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairman:	NJUA	Bernie Rutkowski	Present
Secretary:	PMM	Thomas Merchel	Present
Executive Committee:	Burlco	Meghan Jack	Present
	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	South Bergen	Greg Franz	Present
	Ocean	Veronica Laureigh	Present
	Central	William Northgrave	Present
Alternates:			
	#1 Bergen	Paul Tomasko	Present
	#2 Suburban Municipal	Megan Champney	Present
	#3 Morris	Brian McNeilly	Present
	#4 Suburban Metro	Steve Rovell	Present
	#5 TRICO	Michael Razze	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 Moench Hirniak & Mehta	Peter King, Esq.	Present
Environmental Engineering Services	First Environment	Rich Erickson	Present
Actuary	AON	Chas Kullman	Present

OTHERS PRESENT:

Dave Grubb, PERMA
Brad Stokes, PERMA
Pauline Kontomanolis, PERMA
Jennifer Conicella, PERMA
Zareena Majeed, PERMA
Nancy Ghani, PERMA

Sandra Cantwell, PERMA
 Ed Cooney, Conner, Strong & Buckelew
 Jonathon Tavares, Conner, Strong & Buckelew
 Mike Avalone, Conner, Strong & Buckelew
 Kamini Patel, AJ Gallagher
 Barbara Murphy, RLM
 Charles Casagrande, Danskin Agency
 John Casagrande, Danskin Agency
 Alison Kelly, Danskin Agency
 Claudia Acosta, Qual-Lynx
 Lisa Gallo, Qual-Lynx
 Ezio Altamura, GJEM-Otterstedt Agency
 Matt McArow Jr., GJEM-Otterstedt Agency
 Lindsay Travali, Acrisure
 Don Sciolaro, PIA
 Paul Miola, PJM Consultants

APPROVAL OF MINUTES: June 2, 2023

MOTION TO APPROVE OPEN MINUTES OF JUNE 2, 2023

MOTION: Commissioner Merchel
SECOND: Commissioner Laureigh
VOTE: 12 Ayes, 0 Nays, 1 Abstention (Commissioner Northgrave)

CORRESPONDENCE

None

TREASURER

Mr. Cuccia presented his report, Resolution 22-23 confirming the July Bill List, Resolution 23-23 confirming the August Bill List, and Resolution 24-23 approving the September Bill List as follows:

RESOLUTION 22-23 JULY BILL LIST

FUND YEAR	AMOUNT
2022	\$17,275.00
2023	\$156,727.90
Total	\$174,002.90

RESOLUTION 23-23 - AUGUST BILL LIST

FUND YEAR	AMOUNT
2023	\$102,415.58
Total	\$102,415.58

RESOLUTION 24-23 - SEPTEMBER BILL LIST

FUND YEAR	AMOUNT
2023	\$122,223.00
Total	\$122,223.00

**MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 22-23, 23-23,
AND 24-23**

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

2024 Budget: Executive Director thanked the Finance Committee, who meet on August 24, 2023 to discuss the 2024 budget and dividend recommendation. Keeping constant with prior year's funding levels, the Finance committee recommended staying with the mid-range of loss projections provided by our Actuary, which resulted in a slight increase of \$2,300. Professional fees are capped at 2%. The Underwriting Managers are estimating a 3% increase for the excess carrier and the Contingency Fund will be used if the percentage is higher or lower. Total budget change is \$44,110, which is a 1% increase.

**MOTION TO INTRODUCE THE 2024 BUDGET FOR THE NEW JERSEY
ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF
\$4,489,041 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 18, 2023 TO
BE HELD AT FORSGATE COUNTY CLUB.**

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

2023 Dividend: Executive Director said the Finance Committee also recommends distributing a dividend of \$2,500,000, which is less than last year's dividend of \$3,300,000, with the intent to sustain dividends going forward. This is a good dividend and will be helpful to the members.

**MOTION TO ADOPT RESOLUTION 25-23 AUTHORIZING A TOTAL
RETURN DIVIDEND OF \$2,500,000.**

MOTION: Commissioner Jack
SECOND: Commissioner Champney
ROLL CALL VOTE: Unanimous

QPA Renewal: Executive Director said a copy of the E-JIF's Qualified Purchasing Agent's proposal for the 2024 fund year was included in the agenda. Fund Attorney said this service has been very helpful to the fund.

**MOTION TO AUTHORIZE THE RENEWAL OF THE CANNING GROUP, INC.
PROFESSIONAL SERVICES CONTRACT, WITHOUT COMPETITIVE
BIDDING, TO SERVE AS THE FUND'S QUALIFIED PURCHASING AGENT
IN FUND YEAR 2024 AT A FEE NOT TO EXCEED \$5,000.**

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

Regulatory Affairs: PERMA filed the 2022 Year End Audit, Certification of the Audit adopted by the Executive Committee, Actuarial Valuation and Actuarial Certification with the Department of Banking and Insurance on June 30, 2023. In addition, the Synopsis of Audit was published in the Fund's newspaper.

Due Diligence: Executive Director said the June Financial Fast Track report shows the year-to-date change has an increase of \$786,000 and fund balance is at \$17.4 million in surplus and is in good financial shape.

New Business Item: Executive Director said that he, the Environmental Engineer, and the Fund Attorney will be presenting to the Atlantic JIF on October 18th to discuss the benefits of EJIF membership.

Next Meeting: The next meeting of the EJIF is scheduled for Wednesday, October 18, 2023 at 10:50 AM at Forsgate Country Club, Monroe Twp, N.J.

ATTORNEY:

Fund Attorney said New Jersey has been proactive in addressing PFAS and the various drinking water providers know what they need to do to comply with the state's stringent regulations. So far, the Fund has been fortunate and successful in supporting our members on this issue. 3M Corporation and Dupont, two major contributors of the PFAS contaminant, have committed to placing a significant amount of funds into a settlement trust. There are approximately 3,000 plaintiffs and 400 drinking water providers in this class action case, which was certified in South Carolina. The class action is offering for a limited time to accept claims for monies to bring drinking water facilities into compliance with PFAS standards. The deadline is December 4th or 11th, depending on which responsible party (3M or Dupont) is being addressed. Fund Attorney said they will be sending a memo to EJIF members advising of the class action suit and encouraging members to speak to their town attorney to evaluate if joining the class action is right for their facility. Fund Attorney noted the attorneys on the case have contingency fees ranging up to 33%. Commissioner Merchel said it cost \$50m dollars to upgrade his water treatment plants and it is very difficult to find the responsible parties as the contamination occurred a long time ago. Fund Attorney said this could be a viable resource and again encouraged members to speak to their town council to evaluate if this is a viable resource for them. Mr. Altamura confirmed that the class action is only applicable to members that are providers of drinking water.

UNDERWRITING MANAGERS:

Underwriting Manager said they are currently negotiating rates with the excess carrier and are pleased to have more than one option available for this specialized coverage.

Underwriting Manager said they are keeping a close watch on PFAS and other potential threats as they come about, and the professionals will continue to work to evolve as environmental threats and coverages evolve.

Chairman Rutkowski agreed saying that disposal of byproducts for filtering out PFAS and other contaminants will need to be monitored. Commissioner Merchel added that experts in toxic disposal should be engaged to manage those materials and services.

ENVIRONMENTAL ENGINEER:

Environmental Engineer said the DEP acceptable thresholds for PFAS are very low and he estimates between \$3 to \$5 million for additional treatment after filtration processes to meet the

standards. Members need to make sure they look at the class action suit while it's available to evaluate if it makes sense for them.

Environmental Engineer said his team gave a presentation at the TRICO retreat on Stormwater Permits. This topic affects all municipalities and if any other JIFs are interested in this presentation please speak to the EJIF Executive Director. The deadline to obtain grant monies for facilities upgrading from Tier B to Tier A is December 31st.

Environmental Engineer said he is providing DPW with 'toolbox' documents that will assist supervisors to comply with DEP inspection requirements. These documents are available on the EJIF website.

Environmental Engineer said the EDA deadline for the \$50m available tax credits for brownfield property redevelopment expires next Thursday. Please contact his office directly with any questions.

ACTUARY

Mr. Kullman said the 2024 loss projections were included in his report and are based on June 30, 2023, loss data and updated exposure information. As mentioned, the projections are consistent with past years at 70th percentile, which estimates once every 3 to 4 years we might expect to exceed funding levels.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

MEETING OPENED TO PUBLIC FOR COMMENT:

Mr. Forlenza said he extends his appreciation to the Fund in supporting the Environmental Engineer in his stormwater presentation to the TRICO JIF. It was well received by the members.

MOTION TO ENTER INTO CLOSED SESSION:

MOTION: Commissioner Nolan
SECOND: Commissioner Merchel
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOTION: Commissioner Rovell
SECOND: Commissioner Nolan
VOTE: Unanimous

MOTION TO APPROVE THE PARs AS SUBMITTED:

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

MOTION TO ADJOURN MEETING

MOTION: Commissioner Merchel

SECOND: Commissioner Laureigh
VOTE: Unanimous

Meeting Adjourned: 11:14 AM

Sandy Cantwell, Assisting Secretary
For Tom Merchel, Secretary

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 22-23

July 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

2020

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001582			
001582	TOWNSHIP OF EDISON	VOID AND REISSUE	-600.00
			-600.00
001926			
001926	TOWNSHIP OF EDISON	MEETING ATTENDANCE 2020	600.00
			600.00
Total Payments FY 2020			0.00

FUND YEAR

2022

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001875			
001875	MEGAN L. CHAMPNEY	VOID AND REISSUE	-750.00
			-750.00
001927			
001927	NISIVOCCIA & COMPANY	FINAL BILL FOR Y/E 2022	17,275.00
			17,275.00
001928			
001928	MEGAN L. CHAMPNEY	2022 MEETING ATTENDANCE - 5 X \$150	750.00
			750.00
Total Payments FY 2022			17,275.00

FUND YEAR

2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001929			
001929	MONMOUTH MUNICIPAL JOINT INSURANCE FUND	REIMB KEYPORT BID LOCKBOX DEP ERROR	1,281.00
			1,281.00
001930			
001930	PERMA RISK MANAGEMENT SERVICES	POSTAGE 06/23	21.71
001930	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 07/23	28,585.50
001930	PERMA RISK MANAGEMENT SERVICES	POSTAGE 05/23	18.03
			28,625.24
001931			
001931	AON RISK SERVICES CENTRAL - PREMIUM	ACTUARY-A# 570000079241- 9400000003937	15,625.00

			15,625.00
001932			
001932	DORSEY & SEMRAU	FUND ATTORNEY 07/23	7,722.76
			7,722.76
001933			
001933	CHARLES CUCCIA	TREASURER FEE 07/23	1,810.90
			1,810.90
001934			
001934	PRINCETON PUBLIC AFFAIRS GROUP	GOVERNMENTAL AFFAIRS REP 05/23	3,750.00
001934	PRINCETON PUBLIC AFFAIRS GROUP	GOVERNMENTAL AFFAIRS REP 06/23	3,750.00
			7,500.00
001935			
001935	DANSKIN INSURANCE AGENCY	UNDERWRITING MGR FEE 07/23	22,640.92
			22,640.92
001936			
001936	MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND	REIMB 1/3 OF JUNE MEL/RCF/EJIF MEETINGS	967.15
			967.15
001937			
001937	FIRST ENVIRONMENT, INC.	PROF. SERV. PE 5/23 FORCLOSED PROP	875.00
001937	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR PE 04/30/23	42,108.42
001937	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR PE 05/31/23	26,696.42
			69,679.84
001938			
001938	THE CANNING GROUP LLC	QPA SERVICES 06/23	416.67
001938	THE CANNING GROUP LLC	QPA SERVICES 05/23	416.67
			833.34
001939			
001939	ACCESS	DEPT 736 INV 10261363 5/31/23 FOR JUNE	41.75
			41.75
		Total Payments FY 2023	156,727.90
		TOTAL PAYMENTS ALL FUND YEARS	174,002.90

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. 23-23

August 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 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001940			
001940	PERMA RISK MANAGEMENT SERVICES	POSTAGE 07/23	18.06
001940	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 08/23	28,585.50
			28,603.56
001941			
001941	DORSEY & SEMRAU	FUND ATTORNEY 08/23	7,722.76
			7,722.76
001942			
001942	CHARLES CUCCIA	TREASURER FEE 08/23	1,810.90
			1,810.90
001943			
001943	PRINCETON PUBLIC AFFAIRS GROUP	GOV. AFFAIRS REP 08/23 INV 21206	3,750.00
			3,750.00
001944			
001944	DANSKIN INSURANCE AGENCY	UNDERWRITING MGR FEE 08/23	22,640.92
			22,640.92
001945			
001945	FIRST ENVIRONMENT, INC.	PROF. SERV. PE 6/23 FORCLOSED PROP	593.75
001945	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR PE 6/31/23	36,789.42
			37,383.17
001946			
001946	THE CANNING GROUP LLC	QPA SERVICES 07/23	416.67
			416.67
001947			
001947	ACCESS	DEPT 736 INV 10382745 7/31/23 FOR AUG	43.80
001947	ACCESS	DEPT 736 INV 10312803 6/30/23 FOR JULY	43.80
			87.60
		Total Payments FY 2023	102,415.58

TOTAL PAYMENTS ALL FUND YEARS 102,415.58

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. 24-23

September 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 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amt</u>
001948			
001948	PERMA RISK MANAGEMENT SERVICES	POSTAGE 08/23	13.83
001948	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 09/23	28,585.50
			28,599.33
001949			
001949	AON RISK SERVICES CENTRAL - PREMIUM	ACTUARY-A# 570000079241- 9400000004033	15,625.00
			15,625.00
001950			
001950	DORSEY & SEMRAU	FUND ATTORNEY 9/23	7,722.76
			7,722.76
001951			
001951	CHARLES CUCCIA	TREASURER FEE 09/23	1,810.90
			1,810.90
001952			
001952	PRINCETON PUBLIC AFFAIRS GROUP	GOV. AFFAIRS REP 09/23 INV 21290	3,750.00
			3,750.00
001953			
001953	DANSKIN INSURANCE AGENCY	UNDERWRITING MGR FEE 09/23	22,640.92
			22,640.92
001954			
001954	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR PE 7/31/23	41,657.42
			41,657.42
001955			
001955	THE CANNING GROUP LLC	QPA SERVICES 08/23	416.67
			416.67
		Total Payments FY 2023	122,223.00
		TOTAL PAYMENTS ALL FUND YEARS	122,223.00

Chairperson: _____

Attest: _____

Dated: _____

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

Treasurer

RESOLUTION NO. 25-23
RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
AUTHORIZING REFUND OF THE 1999, 2002, 2003, 2005, 2008, 2009 AND 2010 FUND
YEAR'S SURPLUS ACCOUNTS.

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

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

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

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

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

2. The Executive Committee has balanced the interests of the members in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. It is the conclusion of the Executive Committee that \$7,500 can be refunded from the 1999 Fund year surplus accounts, \$400,000 can be refunded from the 2002 Fund year surplus accounts, \$575,000 can be refunded from the 2003 Fund year surplus accounts, \$900,000 can be refunded from the 2005 Fund year surplus accounts, \$100,000 can be refunded from the 2008 Fund year surplus accounts, \$150,000 can be refunded from the 2009 Fund year surplus accounts and \$367,500 can be refunded from the 2010 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be \$2,500,000.

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, 2022. 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.

Dated: _____

E-JIF

Attest:

Chairman

Secretary