

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF SEPTEMBER 7, 2016
JAMESBURG, NEW JERSEY
10:50 AM**

Meeting called to order by Paul Shives. The Open Public Meeting Notice was read into the record.

Pledge of Allegiance

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairman:	Ocean	Paul Shives	Present
Secretary:	Central	Robert Landolfi	Absent
Executive Committee:	Sub Essex JIF	Joe Catenaro	Present
	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	Sub-Muni	Jim Gildea	Present
	PMM	Scott Carew	Absent
	Trico	Robert Law	Present
Alternates:			
	#1 South Bergen	Greg Franz	Present
	#2 Bergen	Paul Tomasko	Present
	#3 Morris	Jon Rheinhardt	Present
	#4 Burlco	David Matchett	Present
	#5 NJUA	Bernie Rutkowski	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	Perma Risk Management Services	James Kickham Stephen Sacco	Absent 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.	Present
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	Absent

OTHERS PRESENT:

David Grubb, PERMA
Cate Kiernan, PERMA
Brad Stokes, PERMA
Joe Hrubash, PERMA
Pauline Kontomanolis, PERMA
Nancy Ghani, PERMA
Jason Thorpe, PERMA
Joeen Ciannella, PERMA
William Cottman, NJPHA JIF
Ed Cooney, CS&B
Alison Kelly, Danskin
John Casagrande, Danskin
Luis Alamo, Alamo Group
Frank Covelli, PIA
Ed Cooney, CS&B
Paul Miola, AJ Gallagher
Paul Forlenza, AJ Gallagher
David McHale, JA Montgomery

APPROVAL OF MINUTES: June 1, 2016

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF JUNE 1, 2016

MOTION: Commissioner Wolk
SECOND: Commissioner Catenaro
VOTE: Unanimous

CORRESPONDENCE :

None

TREASURER

Mr. Cuccia presented his report and Resolution No. 19-16 confirming the July Bill List, Resolution No. 20-16 confirming the August Bill List and Resolution No. 21-16 approving the September Bill List as follows:

RESOLUTION 19-16 - JULY BILL LIST

FUND YEAR	AMOUNT
2015	\$ 15,038.00
2016	\$ 100,472.88
Total	\$ 115,510.88

RESOLUTION 20-16 - AUGUST BILL LIST

FUND YEAR	AMOUNT
2016	\$ 71,684.59
Total	\$ 71,684.59

RESOLUTION 21-16 - SEPTEMBER BILL LIST

FUND YEAR	AMOUNT
2016	\$ 79,389.32
Total	\$ 79,389.32

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 19-16, 20-16 AND 21-16

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

REGULATORY AFFAIRS - Mr. Sacco informed the Board that the Fund Office filed the 2015 Year End Audit, Certification of the Audit adopted by the Executive Committee, Actuarial Valuation and Actuarial Certification with the Department of Banking and Insurance. He added that the Synopsis of Audit was published in the Fund's newspaper.

2017 BUDGET PROCESS – Mr. Sacco referred the Committee to the 2017 draft budget that was distributed prior to the start of the meeting and gave an overview. He reported that the Finance committee met via teleconference to discuss the proposed 2017 budget and dividend recommendation. He informed the Board that there is an overall increase of 0.9% for the 2017 Budget. Mr. Sacco proceeded to review the proposed budget by line. Following a review of the proposed budget Mr. Sacco asked if there were any questions or comments. Chairman Shives commented that he, Commissioner Landolfi and Commissioner Nolan participated in the Finance Committee teleconference and noted that the budget is conservative and fiscally prudent. Mr. Sacco reported that the Finance Committee asked the Underwriting Managers to obtain quotes from the excess carrier for higher limits. He added that the current limit is 8 million and the Underwriting Managers are going to obtain quotes for 9 million and 10 million limits.

MOTION TO INTRODUCE THE 2017 BUDGET FOR THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF \$4,308,320 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 19, 2016 AT THE FORSGATE CC, JAMESBURG, NJ AT 10:50 AM.

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

2016 DIVIDEND - Mr. Sacco advised that the Finance Committee also reviewed possible dividend disbursement during their teleconference. He added that the Committee is suggested continuing with a conservative approach and recommends a dividend of \$550,000.

MOTION TO ADOPT RESOLUTION # 22-16 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$550,000.

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

ASSET MANAGER CONTRACT- Mr. Sacco reported that the MEL Fund Attorney negotiated with Wilmington Trust on a number of clauses in the Fund's professional service agreement and Wilmington's Account Management Agreement. He noted that the E-JIF had already adopted these revisions and added that the MEL Fund Attorney did additional negotiations on the "order of precedent". He then referred to the addendum that reflected the further changes. Mr. Semrau added that all of the changes that have been made help to better protect the Fund. Mr. Sacco asked if there were any questions. Hearing none, he asked for a motion to adopt the revised contract.

MOTION TO ADOPT THE REVISED CONTRACT BASED ON NEGOTIATIONS WITH WILMINGTON TRUST AS OUTLINED WITHIN THE ATTACHED CONTRACT.

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

NEXT MEETING- Mr. Sacco informed the Board that the next meeting of the EJIF is scheduled for October 19, 2016 at the Forsgate CC, Jamesburg.

FINANCIAL FAST TRACK – Mr. Sacco referred to the Year-end Financial Fast Track enclosed within the agenda booklet. He informed the Committee that as of June 30th the Fund's statutory surplus was \$16.5 million and added that the Fund is in excellent financial shape.

ATTORNEY:

Mr. Semrau reported that just over 2 years ago all the payments on the Newark Bay litigation were made. He indicated that since that time, he and Mr. King have turned over all of their files to Mr. Borin, who has taken the lead on the recoveries from the insurance carriers. Mr. Semrau informed the Board that he will ask Mr. Borin to provide an update during the October meeting.

UNDERWRITING MANAGERS:

Mr. Casagrande reported the Storage Tank Policy Form has been revised and sent to Liberty's coverage counsel for their review. He noted that subsequent to review, the fund professionals will perform their own final analysis.

Mr. Casagrande also reported that the MEL Coverage Committee is considering coverage for the transport of environmental pollutants. He advised that the underwriting managers will continue to monitor the status of this issue.

Mr. Casagrande informed the Board that the Underwriting managers have met with Liberty Underwriters, the excess limits provider for the EJIF. He noted that early indications are favorable terms and conditions for the 2017 renewal. He indicated that the current limits are \$8 million with a \$3 million retention and quotes will be obtained for limits of \$9 million and \$10 million.

Lastly, Mr. Casagrande referred to copies of a Coverage Bulletin issued in conjunction with an Environmental Alert regarding Property Acquisitions and Divestitures enclosed within the agenda packet. He emphasized that members must do their due diligence when acquiring property.

ENVIRONMENTAL ENGINEERING:

Mr. Gulics reported that municipal inspections are about $\frac{3}{4}$ complete for the year. He noted that with regards to ASTs with underground piping, there are still a number of tanks that have not continued to maintain coverage through the completion of the bi-annual testing. He noted that the information is provided during the inspections and can be found on the E-JIF website.

Mr. Gulics reported that during inspections they are seeing a lot of underground tank storage systems with a lot of alarms. They have been giving members a timeframe of 30 days for having things corrected and re-inspected unless there is an immediate issue.

Lastly, Mr. Erickson informed the Board that there is a grant of up to \$200,000 through the BPU for municipalities that were damaged by Super-storm Sandy. He noted that the grant is to be used for a feasibility study of the municipality's critical infrastructure to protect against storm damage. Mr. Erickson advised that there are rumors that in the near future a town's master planning will require upgrades that will include resiliency planning.

ACTUARY

Mr. Kullman reported that the loss funding portion of the budget is very strong. He advised that it represents approximately the 73rd percentile, meaning that the expectation for losses on average would exceed the funding amount roughly every 4 years.

OLD BUSINESS:

None.

NEW BUSINESS:

Mr. Sacco informed the Board that there is an E-JIF presentation scheduled on September 21st for the Mid-Jersey JIF to possibly join the Fund.

MEETING OPENED TO PUBLIC FOR COMMENT:

No public comments were made.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

MOTION TO ADJOURN MEETING

MOTION:	Commissioner Tomasko
SECOND:	Commissioner Wolk
VOTE:	Unanimous

Meeting Adjourned: 11:05 AM

Next Meeting:

**October 2016
Forsgate CC
Jamesburg, NJ**

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

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

Resolution No. 19-16

JULY 2016

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 2015

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000470			
000470	NISIVOCIA & COMPANY	AUDITOR FEE 5/31/16	15,038.00
			15,038.00
		Total Payments FY 2015	15,038.00

FUND YEAR 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000471			
000471	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 05/31/16	5,762.61
			5,762.61
000472			
000472	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 06/2016	7.50
000472	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 07/2016	20,778.00
000472	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 05/2016	93.23
			20,878.73
000473			
000473	AON RISK CONSULTANTS, INC.	ACTUARY FEE 2ND QTR 2016 - TMP-1108879	15,425.50
			15,425.50
000474			
000474	DORSEY & SEMRAU	ATTORNEY FEE 3RD QTR 2016	18,207.00
			18,207.00
000475			
000475	CHARLES CUCCIA	TREASURER FEE 07/2016	1,577.00
			1,577.00
000476			
000476	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 6/5-7/4/16	3,750.00
			3,750.00
000477			
000477	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 0/2016	17,748.00
			17,748.00
000478			
000478	ATLANTIC HIGHLANDS BOROUGH	REIMBURSE FOR TANK TESTING 06/2016	800.00
			800.00
000479			
000479	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE MEL 1/3 COST OF MTG 06/16	906.67
			906.67
000480			
000480	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR - 5/31/16	22.58
			22.58
000481			
000481	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 05/2016	15,282.59
			15,282.59

000482
000482

TOWNSHIP OF TOMS RIVER

TAX ACCT: 30406 - 3ND QTR 2016 - 8/16

112.20

112.20

Total Payments FY 2016

100,472.88

TOTAL PAYMENTS ALL FUND YEARS \$ 115,510.88

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

Resolution No. 20-16

AUGUST 2016

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>
000483			
000483	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 06/30/2016	11,413.45
			11,413.45
000484			
000484	PERMA RISK MANAGEMENT SERVICES	[PSTAGE FEE 07/2016	5.58
000484	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 08/2016	20,778.00
			20,783.58
000485			
000485	CHARLES CUCCIA	TREASURER FEE 08/2016	1,577.00
			1,577.00
000486			
000486	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 7/5/16-8/4/16	3,750.00
			3,750.00
000487			
000487	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER - 08/2016	17,748.00
			17,748.00
000488			
000488	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR - 06/30/2016	23.79
			23.79
000489			
000489	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES 06/2016	16,388.77
			16,388.77
		Total Payments FY 2016	71,684.59

TOTAL PAYMENTS ALL FUND YEARS \$71,684.59

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 21-16

SEPTEMBER 2016

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>
001000			
001000	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 07/31/2016	4,891.53
			4,891.53
001001			
001001	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 09/2016	20,778.00
			20,778.00
001002			
001002	CHARLES CUCCIA	TREASURER FEE 09/2016	1,577.00
			1,577.00
001003			
001003	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 8/5/16-9/4/16	3,750.00
			3,750.00
001004			
001004	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MNAGER FEE 09/2016	17,748.00
			17,748.00
001005			
001005	NJ ADVANCE MEDIA	ACCT: XNJEN0555599 - 08/31/2016 SPEC MTG	29.45
			29.45
001006			
001006	SHERATON ATLANTIC CITY	NOVEMBER 16, 2016 - DEPOSIT	500.00
			500.00
001007			
001007	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR - 7/31/2016	23.79
			23.79
001008			
001008	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 07/2016	30,091.55
			30,091.55

Total Payments FY 2016

79,389.32

TOTAL PAYMENTS ALL FUND YEARS \$ 79,389.32

RESOLUTION NO. 22-16
RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND
AUTHORIZING REFUND OF
THE 2001 FUND YEAR AND 2005 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 2001 Fund year surplus accounts and \$100,000 can be refunded from the 2005 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be \$550,000.

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, 2015. 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