

Township of South Hackensack
Bergen County, New Jersey
November 4, 2010 7:30 P.M.
Worksession Meeting
MINUTES

James Anzevino, Mayor.....	Absent
Walter Eckel, Jr., Deputy Mayor	Present
Gary Brugger	Present
Frank Cagas	Present
Gregorio Maceri.....	Absent

Also present:

David V. Nasta, Esq., Municipal Attorney
Linda LoPiccolo, Municipal Clerk

Call of Meeting to Order

Deputy Mayor Eckel called the Meeting to order at 7:32 p.m. He advised that pursuant to the Open Public Meetings Act Annual Notice of the meetings had been provided to *The Record, the Herald and News* and by posting the Annual Notice on the bulletin board in the clerk's office where notices are customarily posted. Everyone saluted the flag. The municipal clerk called the roll.

Correspondence & Reports

Brugger motioned; Eckel seconded and the Committee unanimously agreed to accept and file correspondence dated October 18, 2010, from Michael D. Frew, Chief of Police Re: Request for Modification of original grant award #2010UMWX0220.

Cagas motioned; Brugger seconded and the Committee unanimously agreed to accept and file October 18, 2010, Lawrence J. Paladino, Jr., Supt. DPW Re: Dead Tree Limbs and Trees

Brugger motioned; Cagas seconded and the Committee unanimously agreed to accept and file the following correspondence dated October 18, 2010, from Lawrence J. Paladino, Jr., Supt. DPW Re: Raised Sidewalks and October 18, 2010, Lawrence J. Paladino, Jr., Supt. DPW Re: Raised Sidewalks Amended

Cagas motioned; Eckel seconded and the Committee unanimously agreed to accept correspondence dated October 21, 2010, from Lawrence J. Paladino, Jr., Supt. DPW Re: Discharge of Sump Pumps.

Cagas motioned; Eckel seconded and the Committee unanimously agreed to accept and file correspondence dated October 22, 2010, from David N. Grubb, Executive Director,

a new infrared camera for the new fire truck. The cost is approximately \$7,000 and there are funds available in the fire department budget for this purchase.

Walter Eckel congratulated Vincent Stefano on his election victory and running a clean campaign.

The fire chief would like the Committee to consider requiring Knox boxes.

Public Comments

Lonnie Bedell, 51 Grove Street – Congratulated Vincent Stefano on his election victory and wished him good luck.

Larry Paladino, DPW Supt – Reported that PSE&G cut down the tree located at 431 No. Taylor Avenue, however, the sidewalk is raised and must be repaired. He presented two quotes to the Township Committee to remove the slabs and replace the sidewalk. Cagas motioned; Eckel seconded and the Committee unanimously agreed to approve the repair.

Kelly Maher, Dinallo Street – Asked the Committee for an update regarding the police grant. Eckel responded that he will speak with the chief to get more information.

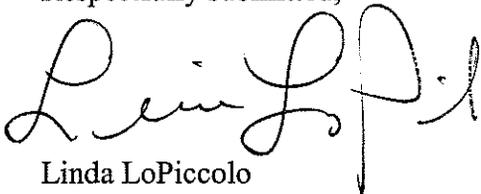
Vincent Stefano, 75 Grove Street – Thanked everyone for running a good campaign and looks forward to working with everyone. He also questioned the township's intention with the cops grant.

Eckel replied that the main object is for safety and to save money.

Adjournment

Cagas motioned; Brugger seconded and the Committee unanimously agreed to adjourn the meeting at 8:20 p.m.

Respectfully submitted,



Linda LoPiccolo
Municipal Clerk

Resolution No. 2010-200 Person-To-Person Transfer 0259-33-002-004
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WHEREAS, an application has been filed for a Person-to-Person Transfer of Plenary Retail Consumption License Number 0259-33-002-004, heretofore issued to Twins Plus Lounge, Inc., 2 South Main Street, South Hackensack, New Jersey; and

WHEREAS, the submitted application form is complete in all respects, the transfer fees have been paid, and the license has been properly renewed for the current license term;

WHEREAS, the applicant is qualified to be licensed according to all standard established by Title 33 of the New Jersey Statutes, regulations promulgated thereunder, as well as pertinent local ordinances and conditions consistent with Title 33;

WHEREAS, the applicant has disclosed and the issuing authority reviewed the source of all funds used in the purchase of the license and the licensed business and all additional financing obtained in connection with the license business;

NOW, THEREFORE BE IT RESOLVED that the Township Committee of the Township of South Hackensack does hereby approve, effective November 4, 2010, the transfer of the aforesaid Plenary Retail Consumption License to SA&G Corp., and does hereby direct the Township Clerk/A.B.C. Board Secretary to endorse the license certificate to the new ownership as follows: "This license, subject to all its terms and conditions, is hereby transferred to SA&G Corp., effective November 4, 2010 ".

Offered: Eckel

Second: Brugger

Roll Call Vote: Ayes: Brugger, Cagas, Eckel Absent: Anzevino, Maceri

Date: November 4, 2010



"Professionalism You Can Count On"

PROFESSIONAL INSURANCE ASSOCIATES, INC.

429 HACKENSACK STREET • P.O. BOX 818 • CARLSTADT, NJ 07072 • (201) 438-7500 • FAX (201) 438-8781

August - 2010

Mayor & Council
Township of South Hackensack
Municipal Complex
227 Phillips Avenue
South Hackensack, NJ 07606

Dear Township Committee:

We are pleased to provide to the Municipality our Annual Report, regarding the property and casualty and related insurance coverages provided by the Municipality's membership in the MEL & JIF, for your review and consideration.

The report is designed to provide an overview of the coverages, claims experience, and overall financial health of the South Bergen JIF and the Municipal Excess Liability JIF and the Municipality's performance in the JIF/MEL relative to these benchmarks. Key sections of the report include:

- Recent Developments in the Joint Insurance Funds that impact the Municipality
- Fund Statistics and Membership
- Synopsis of Property & Casualty Coverages – Township of South Hackensack
- Loss Time Accident Frequency – All Funds (Appendix A)
- Loss Time Accident Frequency – South Bergen Municipal JIF (Appendix B)
- Financial Information on the JIF Funds (Appendix C)
- Dividend History – Inception to Present – Township of South Hackensack (Appendix D)
- Historical and Background Information on the JIF Movement (Appendix E)

INTRODUCTION OF COVERAGES

The majority of coverage afforded the Township is provided through the Township's membership in the South Bergen Municipal Joint Insurance Fund (the JIF), the statewide Municipal Excess Liability Joint Insurance Fund (the MEL), and the New Jersey Environmental Risk Management Fund (the EJIF).

Specifically, the Funds provide coverage for General Liability, Auto Liability and Physical Damage, Property, Crime, Workers Compensation, Employment Practices/Public Officials Liability, Police Professional Liability, and Environmental Liability.

JIF FUNDS - 2010 RECENT DEVELOPMENTS

EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. Claims Review

Claims associated with this coverage continue to rise both in frequency and severity, exceeding the expectations of the Actuary. Compounding the problem is recent verdicts that combined with the increase in frequency, have caused this coverage cost to increase at unsustainable levels.

To that end, the MEL Strategic Planning Committee, which P.I.A. serves on, is reviewing the coverage and evaluating different options to set the coverage on a more stable footing for the future. This will be ongoing and both the Fund and our office will provide updates.

B. 2010 Compliance

The MEL/JIF for 2010 required re-certification of the Municipality's EPL Loss Control Plan. Re-certification of the plan consists of:

- mandatory training for managerial/supervisory personnel;
- training offered to all employees;
- training of emergency services volunteers;
- update of Loss Control Plan (Employee Manual)

We are pleased to report the Municipality has again met the requirements set forth by the Fund and has been re-certified for the 2010-11 Fund years.



THE MEL/JIF RESPONSE TO THE 2% CAP LAW

The JIF/MEL are cognizant of the Impact on the Municipal Budget as a result of the recently enacted 2% cap, which exempts health benefits, but does not apply to property and casualty coverages.

The JIF and MEL are working with the Actuaries and analyzing scenarios to allow municipalities various options to minimize cost increases, thereby providing financial mechanisms to meet the cap requirement. More information on the options available will be forthcoming.

Property Deductible

This is listed as a reminder the property deductible increased from \$1,000. to \$2,500. for 2010. This was a cost saving mechanism instituted in 2009 for the 2010 Fund Year to minimize assessment increases in 2010.



SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND:

STATISTICS:

Formed:	January 1, 1986
Executive Committee:	Chairman, Secretary, 5 Members; 2 Alternates
Charter Members:	11
Current Members:	22

CURRENT MEMBERSHIP

- *Carlstadt
- *Edgewater
- *Lyndhurst
- *Maywood
- *Moonachie
- *North Arlington
- *Palisades Park
- *Rutherford
- *South Hackensack
- *Wallington
- *Wood-Ridge
- Bogota
- Englewood Cliffs
- East Rutherford
- Lodi
- Rochelle Park
- Ridgefield Park
- Elmwood Park
- Fort Lee
- Fairview
- Little Ferry
- Saddle Brook

* = Denotes Charter Member



SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

A. SYNOPSIS OF COVERAGES:

1. *Property*

Building & Contents

All Township buildings and contents are insured on a full "Replacement Cost" Basis, unless the building and/or contents were not replaced, then coverage would be Actual Cash Value

2. *Extra Expense*

This coverage reimburses the Municipality for extra expenses incurred should a fire or allied peril damage a building and the Municipality has to rent/secure temporary space or incur other covered extra expenses to continue municipal operations. A Statewide limit of \$10,000,000. per occurrence is provided by the JIF and MEL.

3. *Valuable Papers*

This coverage reimburses the member Municipality for the reproduction of valuable papers and records (i.e. tax records, accounting/budget files, meeting minutes, etc.,) that are destroyed by a fire or allied peril. A Statewide limit of \$10,000,000. per occurrence is provided by the JIF and MEL.

4. *EDP & Communications Equipment*

This coverage reimburses the Municipality for the replacement of Electronic Data Processing Equipment (computers, copiers, fax machines, printers, etc.) that are destroyed by a fire or allied peril. A Statewide limit of \$10,000,000. per occurrence is provided by the JIF and MEL.



5. ***Flood***

Outside of a Flood Plain, there is a statewide limit of \$50,000,000. For buildings located in a Flood Zone, there is a limit of \$2,500,000 per location, subject to the Federal Flood Insurance Program's maximum coverage of \$500,000. for buildings and \$500,000. for contents. Pumping Stations, pistol ranges, vehicles, and mobile equipment are subject to the standard deductible.

6. ***Earthquake***

A Statewide limit of \$50,000,000. is provided by the JIF & MEL.

7. ***Boiler & Machinery***

A Statewide limit of \$100,000,000. is provided by the JIF and MEL.

8. ***Deductibles***

All property losses are subject to a \$2,500. deductible. Boiler & Machinery claims carry a deductible of \$3,500.

9. ***Physical Damage, Automobile Fleet & Mobile Equipment***

Insured on an "Actual Cash Value" Basis, subject to a \$2,500. deductible. It should be noted, fire engines and emergency first aid vehicles that are less than 15 years old are insured on a "Replacement Cost" Basis.

9A. ***Physical Damage Reimbursement Coverage for Emergency Services Volunteers***

The South Bergen Municipal Joint Insurance Fund since 1999, has provided Physical Damage Reimbursement Coverage to emergency service volunteers, including police auxiliary, firefighters, and members of the first aid or rescue squads, for collision and comprehensive damages to their personal automobile that result from a motor vehicle accident, which arises out of and in the course of the emergency service volunteer's duties on behalf of the member town, while responding to an emergency, but only where the blue light and/or red light has been activated and the emergency service volunteer is holding a valid "blue light" or "red light" permit pursuant to Statute N.J.A.C. 13:24 and while responding to or from an emergency.



LIABILITY

The South Bergen Municipal JIF and the MEL provide the following Liability Coverages to the Municipality:

- 10. ***Automobile Liability***
- 11. ***General Liability (including)
Medical Malpractice – Emergency Response Teams & Public Nurse
911 Dispatchers Liability
Good Samaritan***
- 12. ***Law Enforcement Professional Liability***
- 13. ***Employee Benefits Liability***

The Municipality maintains a \$20,000,000. limit of liability, layered as follows:

\$ 200,000. – South Bergen Municipal JIF
\$19,800,000. – Municipal Excess Liability Fund (MEL)
\$20,000,000. – Total Limit of Liability for the Municipality

The first \$1,000,000. limit of liability is self-insured, (through the JIF & MEL) with Excess Re-Insurance Policies, secured by the MEL (on behalf of the approximate 500 public entities covered statewide by the MEL), for \$19,000,000. excess of the first \$1,000,000. of Self-Insurance.

Terrorism Coverage is provided each member public entity through the JIF & MEL.

The \$19,000,000. Excess Liability Policy is a conventional re-insurance policy and is not as broad in scope of coverage as the Fund's first \$1,000,000. of Self-Insurance Coverage. Therefore, there are certain limited areas of liability, whereby a claim would be insured at a sub limit, as follows:

Failure to Supply	\$5,000,000. Total
Riot & Civil Commotion	\$5,000,000. Total
Approved Skateboard Facilities	\$5,000,000. Total
Quasi Entities	\$5,000,000. Total
Mold & Fungus Exclusion	\$1,000,000. Total



All insurance policies and Self-Insured Plans have exclusions or limitations of coverage. Important exclusions to note are:

- Asbestos, Lead, and Pollution Liability Exclusion
- Dam & Reservoir Coverage Exclusion
- Watercraft over 50 feet in length
- Lawns, trees, bushes, and shrubs
- Land
- Underground gas pipes
- Underground piping on locations beyond 1,000 feet of a pump station, wells or other similar operational locations

Essentially, the coverages provided by the Fund are broader than those available from commercial insurance carriers.

NOTE: Sewer back up claims, covered under the General Liability Policy, are subject to a \$1,000. deductible per occurrence.

Additional Liability Coverage not subject to \$20,000,000. limit of liability.

14. ***Public Officials Liability/Employment Practices Liability***

The MEL provides these coverages to the Municipality with a limit of liability of \$5,000,000., subject to satisfactory completion of an Approved Loss Control Plan (LCP). The approved LCP provides:

- A per loss retention of \$20,000. for Public Officials Liability and Employment Practices Liability claims.
- A per loss co-insurance contribution of 20% of the first \$250,000. of coverage.
- This is a "claims made" policy.

The Retention and Co-Insurance provisions listed above are the most favorable offered by the MEL for those municipalities with an approved Loss Control Plan. Again, the Municipality has an **approved** Loss Control Plan as defined by the MEL.



15. ***Crime Coverages***

The limit of liability is \$50,000. for each of these coverages at the JIF level and the MEL provides an additional \$950,000. excess of the JIF for a total of \$1,000,000. coverage:

- Money & Securities - Inside Premise
- Money & Securities - Outside Premises

16. ***Faithful Performance & Employee Dishonesty Bond***

Certain public officials/employees, such as the tax collector, treasurer, etc., must be bonded individually by Statute. The Faithful Performance and Employee Dishonesty Bond provides the Township fidelity protection for all of the employees who are not required by Statute to have an individual bond. The coverage is \$1,000,000. for each loss.

17. ***Statutory and Excess Public Official Bond***

This recent coverage enhancement provides up to \$1,000,000. in coverage and meets the statutory requirements of the Employee Dishonesty Coverage required by the State of New Jersey.

Public Official Bonds Provided By The MEL:

<u>Position</u>		<u>Bond Limit</u>
1. Tax Collector	-	\$1,000,000.
2. Treasurer	-	\$1,000,000.
3. Blanket Bond – Municipal Court	-	\$1,000,000.

18. ***Workers Compensation***

This coverage is statutory in the State of New Jersey and the Fund provides the statutory limits of benefits to all member municipal employees and emergency service volunteers.



19. ***Environmental Liability*** (Claims Made Policy)
Coverage provided through the EJIF

Coverage for recycling centers, petroleum storage tanks, Haz-Mat operations, Super Fund Buy Out. \$1,000,000. limit of liability. Defense costs are included in the limit of liability, subject to deductible.

Only underground storage tanks that meet current Federal and State Requirements and are scheduled with the EJIF are included for coverage.

B. INSURANCE COVERAGES PROVIDED BY P.I.A., INC. (NOT PROVIDED BY JIF):

1. Accident & Health Policy
\$50,000. AD&D Limit - VFIS - Volunteer Fire Dept. & Ambulance Corps
2. Accident Policy - \$2,500. Limit
Hartford Life & Accident Ins. Co. - Recreation Commission
3. Accident Policy - \$10,000. Limit
United States Fire Insurance Co. - Volunteer Workers
4. Life Insurance Policy - \$10,000. Limit
Standard Insurance Co. - Municipal Employees

SUMMARY

Without question, the Joint Insurance Funds continue to provide broader coverage than the conventional insurance market at a notably lower cost (premium).

Under State requirement, the respective Funds are required to file an independent audit with the NJ Departments of Banking and Insurance and Community Affairs on an annual basis. These audits are available to member Municipalities upon request.

We have attached an audited analysis of the financial condition of the JIF, MEL, and EJIF Funds, as of 12/31/09.

This synopsis is prepared to provide an overview of coverages provided to the municipality by the JIF/MEL and P.I.A. and is not intended to be a complete explanation of policy coverage, terms, conditions, or exclusions. Actual policy language will govern the scope and limits of protection afforded. As always, we are available for specific questions concerning any aspect of this Insurance Program.



CONCLUSION

The Municipality is well served through its membership in the JIF/MEL Program. The coverages and limits afforded exceed that available in the commercial market, at a notable savings to the Municipality. It should also be noted the Municipality receives additional services through its membership, including:

MEL Safety Institute
Alcohol & Drug Testing for Commercial Driver's License (CDL) operators
Environmental technical support second to none.

These additional services also add to the value of the Township's membership and continues to weigh on the decision to remain a member of the JIF/MEL.

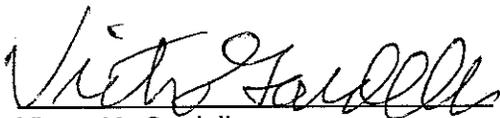
We currently serve as the Risk Management Consultant for over 25 public entities, including municipalities, school boards, housing, and utility authorities in northern New Jersey. Our extensive governmental expertise, coupled with P.I.A.'s involvement in the JIF's since their inception, allows us to provide the best consultation and evaluation services affiliated with these programs.

We work consistently with your Administrative Team regarding insurance matters and are always available to you as the need arises.

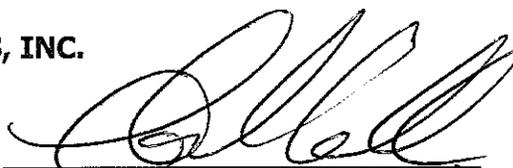
Should you have any questions regarding our report or any other aspect of the Municipality's Insurance Program, please communicate with us.

Very truly yours,

PROFESSIONAL INSURANCE ASSOCIATES, INC.



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FC/cmt



APPENDIX A

2009 LOST TIME ACCIDENT FREQUENCY ALL JIFs

December 31, 2009

FUND	2009 LOST TIME FREQUENCY	2008 LOST TIME FREQUENCY	2007 LOST TIME FREQUENCY	TOTAL RATE 2009 - 2007
SUBURBAN MUNICIPAL	1.28	1.81	2.87	1.98
MORRIS	1.53	1.84	1.99	1.79
BERGEN	1.69	2.01	2.12	1.94
MONMOUTH	1.79	2.30	2.77	2.28
NJ PUBLIC HOUSING	1.90	2.28	2.98	2.41
TRI-COUNTY	1.97	2.25	3.71	2.65
PROF MUN MGMT	2.23	2.75	3.87	2.94
CAMDEN	2.31	2.46	3.17	2.64
N.J.U.A.	2.43	2.58	2.57	2.53
OCEAN	2.67	3.61	3.63	3.29
CENTRAL	2.11	2.25	2.60	2.32
SUBURBAN ESSEX	2.92	3.49	4.25	3.55
BURLINGTON	2.95	1.54	2.54	2.36
ATLANTIC	3.35	3.20	3.68	3.41
SOUTH BERGEN	3.41	3.14	3.29	3.28
AVERAGE	2.30	2.50	3.07	2.62

APPENDIX B

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND 2009 LOST TIME ACCIDENT FREQUENCY DATA VALUED AS OF DECEMBER 31, 2009

MEMBER	# CLAIMS FOR 12/31/2009	Y.T.D. LOST TIME ACCIDENTS	2009 LOST TIME FREQUENCY	2008 LOST TIME FREQUENCY	2007 LOST TIME FREQUENCY	MEMBER	TOTAL RATE 2009 - 2007
1 SOUTH HACKENSACK	0	0	0.00	5.67	6.02	1 SOUTH HACKENSACK	3.89
2 WOOD-RIDGE	0	1	0.88	2.84	5.10	2 WOOD-RIDGE	2.84
3 CARLSTADT	1	3	1.40	0.95	2.84	3 CARLSTADT	1.73
4 PALISADES PARK	0	3	1.49	0.96	0.48	4 PALISADES PARK	0.97
5 ROCHELLE PARK	0	2	2.17	3.31	3.28	5 ROCHELLE PARK	2.92
6 ELMWOOD PARK	2	6	2.39	2.40	3.28	6 ELMWOOD PARK	2.68
7 SADDLE BROOK	0	4	2.40	4.80	0.66	7 SADDLE BROOK	2.68
8 ENGLEWOOD CLIFFS	0	3	2.79	4.65	2.84	8 ENGLEWOOD CLIFFS	3.43
9 LITTLE FERRY	0	4	2.87	4.32	4.58	9 LITTLE FERRY	3.91
10 MAYWOOD	0	5	3.01	3.11	3.90	10 MAYWOOD	3.33
11 BOGOTA	0	4	3.29	2.47	4.07	11 BOGOTA	3.28
12 LYN DHURST	1	9	3.61	2.40	4.86	12 LYN DHURST	3.62
13 EAST RUTHERFORD	0	8	3.64	3.10	3.65	13 EAST RUTHERFORD	3.46
14 MOONACHIE	0	3	3.73	5.59	3.43	14 MOONACHIE	4.27
15 FORT LEE	3	19	3.75	3.41	2.80	15 FORT LEE	3.32
16 LODI	1	9	3.92	2.03	1.24	16 LODI	2.37
17 RUTHERFORD	1	11	4.01	4.27	3.99	17 RUTHERFORD	4.09
18 FAIRVIEW	2	8	4.06	1.01	4.19	18 FAIRVIEW	3.07
19 RIDGEFIELD PARK	-1	10	4.64	3.22	4.49	19 RIDGEFIELD PARK	4.12
20 NORTH ARLINGTON	4	9	4.76	5.38	2.67	20 NORTH ARLINGTON	4.27
21 WALLINGTON	1	4	5.84	4.03	0.81	21 WALLINGTON	3.16
22 EDGEWATER	2	13	7.62	3.56	6.35	22 EDGEWATER	5.84
	17	138	3.41	3.14	3.29		3.28

2005 Frequency As Of Last Month =

Frequency = ((Y.T.D. LOST TIME ACCIDENT * 200,000) / ADJUSTED HOURS WORKED)

2008 Loss Time Accident Frequency As of 12/31/08 3.04

APPENDIX C

Key Financials as of 12/31/09

SOUTH BERGEN		CASH	INVESTMENT	IBNR	GROSS	RETURN	NET
FUND YEAR		ON HAND	INCOME	RESERVES	STATUTORY SURPLUS	OF SURPLUS	STATUTORY SURPLUS
CLOSED YEARS	<i>see total</i>		\$12,271,675	\$0	\$19,423,667	\$16,952,946	\$2,470,721
2006	<i>see total</i>		\$347,676	\$34,149	\$394,139	\$16,158	\$377,981
2007	<i>see total</i>		\$199,408	\$263,870	\$355,304	\$7,432	\$347,872
2008	<i>see total</i>		\$84,437	\$236,155	\$779,704		\$779,704
2009	<i>see total</i>		\$12,146	\$1,404,354	(\$813,190)	\$0	(\$813,190)
TOTAL		\$9,873,084	\$12,915,342	\$1,938,528	\$20,139,624	\$16,976,536	\$3,163,088

MEL		CASH	INVESTMENT	IBNR	GROSS	RETURN	NET
FUND YEAR		ON HAND	INCOME	RESERVES	STATUTORY SURPLUS	OF SURPLUS	STATUTORY SURPLUS
CLOSED YEARS	<i>see total</i>		\$54,764,265	\$0	\$49,342,786	\$44,265,586	\$5,077,200
2006	<i>see total</i>		\$2,067,284	\$3,012,322	\$727,538	\$0	\$727,538
2007	<i>see total</i>		\$1,638,038	\$6,841,211	(\$1,886,802)	\$0	(\$1,886,802)
2008	<i>see total</i>		\$755,845	\$11,812,397	\$1,711,442	\$0	\$1,711,442
2009	<i>see total</i>		\$195,816	\$19,926,551	\$4,205,015	\$0	\$4,205,015
TOTAL		\$72,974,560	\$59,421,248	\$41,592,481	\$54,099,979	\$44,265,586	\$9,834,393

EJIF		CASH	INVESTMENT	IBNR	GROSS	RETURN	NET
FUND YEAR		ON HAND	INCOME	RESERVES	STATUTORY SURPLUS	OF SURPLUS	STATUTORY SURPLUS
1995	<i>see total</i>		\$513,301	\$0	\$868,012	\$868,012	\$0
1996	<i>see total</i>		\$705,197	\$0	\$1,883,552	\$1,883,552	\$0
1997	<i>see total</i>		\$739,929	\$6,911	\$1,593,482	\$666,057	\$927,425
1998	<i>see total</i>		\$971,734	\$3,695	\$2,490,351	\$491,438	\$1,998,913
1999	<i>see total</i>		\$422,568	\$130,000	(\$2,252,425)	\$0	(\$2,252,425)
2000	<i>see total</i>		\$800,092	\$0	\$2,766,733	\$112,945	\$2,653,788
2001	<i>see total</i>		\$684,431	\$7,962	\$2,585,586	\$121,685	\$2,463,901
2002	<i>see total</i>		\$454,027	\$34,754	\$1,151,877	\$232,982	\$918,895
2003	<i>see total</i>		\$444,778	\$10,866	\$2,637,145	\$231,286	\$2,405,859
2004	<i>see total</i>		\$271,835	\$219,428	(\$501,260)	\$258,833	(\$760,093)
2005	<i>see total</i>		\$282,210	\$87,786	\$1,475,784	\$200,641	\$1,275,143
2006	<i>see total</i>		\$287,343	\$233,826	\$250,297	\$57,570	\$192,727
2007	<i>see total</i>		\$150,957	\$636,531	\$997,756	\$100,000	\$897,756
2008	<i>see total</i>		\$96,171	\$1,225,210	\$276,336	\$0	\$276,336
2009	<i>see total</i>		\$29,060	\$976,218	\$337,974	\$0	\$337,974
Total		\$21,104,370	\$6,853,631	\$3,573,187	\$16,561,200	\$5,225,001	\$11,336,199

Source: Year End Financial Statements for the period ending 12/31/09 (Unaudited) as prepared by the Funds' administrator. Copies of these reports are available by contacting the Funds' offices at (201)587-0555.

APPENDIX D

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND JIF/BMEL/MEL/EJIF DIVIDEND DISTRIBUTION - ALL YEARS

Valued as of: JUNE-2010

MUNICIPALITY: SOUTH HACKENSACK

YEAR	JIF	BMEL	MEL	EJIF	TOTAL
1990	\$ 25,110.48				\$ 25,110.48
1991	\$ 21,349.93	\$ 10,485.00	\$ 1,692.67		\$ 33,527.60
1992	\$ 22,918.94	\$ 6,705.00	\$ 1,100.22		\$ 30,724.16
1993	\$ 22,045.53	\$ 5,879.30	\$ 190.55		\$ 28,115.38
1994	\$ 25,617.32	\$ 7,554.20	\$ 645.39		\$ 33,816.91
1995	\$ 24,757.64	\$ 7,554.20	\$ 2,245.90		\$ 34,557.74
1996	\$ 26,837.18	\$ 2,879.32	\$ 5,350.68		\$ 35,067.18
1997	\$ 28,350.58		\$ 3,983.82		\$ 32,334.40
1998	\$ 30,261.85		\$ 4,225.50		\$ 34,487.35
1999	\$ 17,920.14		\$ 3,443.04		\$ 21,363.18
2000	\$ 21,873.13		\$ 3,375.00		\$ 25,248.13
2001	\$ 13,890.74		\$ 3,670.65		\$ 17,561.39
2002	\$ 18,162.62		\$ 2,125.57		\$ 20,288.19
2003	\$ 22,264.19				\$ 22,264.19
2004	\$ 16,555.68			\$ 465.27	\$ 17,020.95
2005	\$ 20,771.80			\$ 1,198.64	\$ 21,970.44
2006	\$ 14,876.33			\$ 2,091.68	\$ 16,968.01
2007	\$ 23,010.00			\$ 2,407.51	\$ 25,417.51
2008	\$ 16,389.76			\$ 1,144.52	\$ 17,534.28
2009	\$ 16,539.40			\$ 1,066.19	\$ 17,605.59
TOTALS	\$ 429,503.24	\$ 41,057.02	\$ 32,048.99	\$ 8,373.81	\$ 510,983.06

APPENDIX E

SOUTH BERGEN MUNICIPAL JOINT INSURANCE FUND

A N O V E R V I E W

HISTORY

Prior to 1983, insurance companies aggressively sought municipal insurance business in an atmosphere of intense competition, the result of which directly benefited local government. Interest rates had soared to nearly twenty percent at that time, allowing insurance companies to maintain a high-income stream that was generated by their investment portfolio. However, by the mid 1980's, interest rates declined and mounting claim liabilities matured and developed beyond expectation. 1984 served as a watershed year in which insurance companies recognized municipal business written in the past had been deeply discounted and future increases of 250% or more would be needed to balance premium to surplus ratios.

In 1985, extraordinary rate increases and qualification standards were imposed, leaving many governmental agencies uninsured or underinsured. During this same period, the New Jersey Legislature took definitive action to deal with this crisis and enacted revisions to state statute, permitting certain governmental units to form Joint Insurance Funds (JIF's).

Hence, the first JIF in New Jersey was formed on January 1, 1985 with sixteen (16) charter municipalities in Bergen County. Today, there are over three hundred (300) New Jersey governmental agencies that participate in approximately fifteen (15) regional JIF's.

In the final analysis, the Joint Insurance Fund concept represents a permanent solution to the insurance needs of municipal government.

ORGANIZATION

A JIF is a non-taxable public agency comprised of a cooperative group of governmental units. Each member municipality appoints a Commissioner to the JIF, who must be an elected or appointed official. The Commissioners elect a seven member Executive Committee, which serves as the Governing Body for the JIF.

Municipal Joint Insurance Funds are organized under Title 40A and are regulated by the New Jersey Departments of Banking & Insurance and Community Affairs. The State statutes governing the operation of the JIF are similar to the controls under which municipalities operate.

In essence, a public entity can become an insured participant in a JIF with an adequate pool of capital to cover loss payments and operating expenses. Excess funds are held in reserve for future potential liability or returned to the membership in the form of dividends.

The Executive Committee retains the services of an executive director, attorney, treasurer, auditor, actuary, claim and engineering professionals and may contract for such other services as required. The Executive Director, (PERMA) conducts the day-to-day operations of the Fund.