

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
MINUTES
January 11, 2024
Via Zoom Teleconference
3:00 P.M.

SINE DIE MEETING

Meeting Called to Order by Chairperson Lapp. Open Public Meeting Statement read into the record.

Pledge of Allegiance

ROLL CALL OF 2023 EXECUTIVE COMMITTEE:

Diane Lapp, Township of Manchester	Present
Veronica Laureigh, Secretary, Twp. of Lacey	Present
Joanne Bergin, Township of Brick	Present
Michael Gross, Borough of Surf City	Present
Matthew von der Hayden, Township of Stafford	Present
Senator Robert Singer, Township of Lakewood, Alternate #1	Present
Ed Zakar, Borough of Beachwood, Alternate #2	Present
John O. Bennett III, Borough of Lavallette, Alternate #3	Present

APPOINTED OFFICIALS PRESENT:

Executive Director	Perma Risk	Stephen Sacco	Present
/Administrator	Management Services.		
Attorney	Citta, Holzapfel, Zabarsky	Steven Zabarsky, Esq.	Present
Treasurer		Julie Tarrant	Present
Claims Service	Qual-Lynx	Kathy Kissane	Present
Managed Care	Qual-Lynx	Lisa Gallo	Present
Underwriting	Conner Strong & Buckelew	Ed Cooney	Present
Manager			
Safety Director	JA Montgomery	Paul Shives	Present
Risk Management	Conner Strong & Buckelew	Thomas Merchel	Present
Consultants			

ALSO PRESENT

Joanne Theiss Qual-Lynx
Liam Callahan, J.A. Montgomery
Katherine Walters, CSB
Jaclyn Lindsey, CSB
Pauline Kontomanolis, Perma
Joseph P Hrubash, Perma
Steven Krolan, Perma
Tracy Lopez, Perma

APPROVAL OF MINUTES:

November 9, 2023

MOTION TO APPROVE OPEN MINUTES FOR ABOVE REFERENCED MEETING

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

CORRESPONDENCE

None

2023 OLD BUSINESS

None.

MOTION TO ADJOURN SINE DIE MEETING:

MOTION:	Commissioner Laureigh
SECOND:	Commissioner Gross
VOTE:	

Mr. Sacco indicated that in accordance with the By-Laws of the Fund, the Fund must have an annual reorganization meeting where it must be first determined that a quorum of the full membership is present therefore the roll call of all member municipalities was requested to undertake the reorganization of the Fund;

ROLL CALL OF FUND COMMISSIONERS:

2024 Roll Call	15 for a Quorum			
<u>Municipality</u>	<u>FC</u>	<u>Alternate</u>	<u>Present</u>	<u>Absent</u>
Barnegat Light Borough	Brenda Kuhn	Kathleen Flanagan		X
Barnegat Township	Martin Lisella	Thomas Lombarski		X
Bay Head Borough	Frank Pannucci			X
Beach Haven Borough	Sherry Mason	Sharon Boehler		X
Beachwood Borough	Edward Zakar		X	
Brick Township	Joanne Bergin		X	
Eagleswood Township	Michelle Sysol	Destiny Reynolds		X
Harvey Cedars Borough	Joseph Gieger		X	
Island Heights Borough	Sean Asay		X	
Jackson Township	Terrance Wall			X
Lacey Township	Veronica Laureigh	Linda Picaro-Covello	X	
Lakehurst Borough	Maryanne Capasso		X	
Lakewood Township	Senator Robert Singer		X	
Lavallette Borough	John Bennett	Donnelly Amico	X	
Little Egg Harbor Township	Rodney Haines		X	
Long Beach Township	Kyle Ominski			X
Manchester Township	Diane Lapp		X	
Ocean Gate Borough	Ileana Vazquez-Gallipoli			X
Ocean Township	Diane Ambrosio		X	
Pine Beach Borough	Hannah Jacobus		X	
Plumsted Township	Leonard Grilletto	Dominick Cuozzo		X
Point Pleasant Borough	Corinne Hughes			X
Pt Pleasant Beach	Christine Riehl	Eileen Farrell		X
Seaside Heights Borough	Christopher Vaz	Joyce Tinnes		X
Seaside Park	Karen Kroon			X
Ship Bottom Borough	Kathleen Flanagan			X
South Toms River Borough	Christopher Santiago			X
Stafford Township	Matthew von der Hayden		X	
Surf City Borough	Michael Gross		X	
Toms River Township	Scott Tirella		X	
Tuckerton Borough	Jenny Gleghorn			X
Total in attendance			15	

It was established a quorum of the Fund Commissioners was present, Mr. Sacco indicated the Reorganization of the Fund would continue. Executive Director further explained that in accordance with the by-laws, the Fund elects a Chairperson, Secretary, Five (5) member Executive Committee, and Alternates.

MOTION TO OPEN FLOOR FOR NOMINATIONS OF CHAIRPERSON, SECRETARY, EXECUTIVE COMMITTEE, AND ALTERNATES:

MOVED:	Senator Singer
SECOND:	Commissioner Laureigh
VOTE:	Unanimous

NOMINATING COMMITTEE REPORT: Executive Director presented the following 2024 slate as recommended by the Nominating Committee which was slightly amended from the agenda version with apologies to Mr. Rodney Haines. t:

Executive Committee

Diane Lapp, Chairperson, Township of Manchester
Veronica Laureigh, Vice Chairperson, Township of Lacey
Joanne Bergin, Secretary, Township of Brick
Michael Gross, Borough of Surf City
Matthew von der Hayden, Township of Stafford
Senator Robert Singer, Township of Lakewood,
John O. Bennett III, Borough of Lavallette
Scott Tirella, Township of Toms River, Alternate #1
Edward Zakar, Beachwood Borough, Alternate #2
Diane Ambrosio, Township of Ocean, Alternate #3

Executive Director asked for additional nominations. Hearing none, Executive Director asked for a motion to close nominations and confirm elections as presented by the nominating committee.

MOTION TO CLOSE NOMINATIONS AND CONFIRM THE SLATE AS PRESENTED BY THE NOMINATING COMMITTEE

MOVED:	Senator Singer
SECOND:	Commissioner Gross
VOTE:	Unanimous

Executive Director congratulated the Executive Committee members and requested Fund Attorney to swear in the 2024 Executive Committee.

Oaths of Office will be made a part of the Minutes upon certification from Fund Attorney.

Executive Director requested a roll call of the newly elected Executive Committee and Alternates.

ROLL CALL OF 2024 EXECUTIVE COMMITTEE:

Executive Committee

Diane Lapp, Chairperson, Township of Manchester
Veronica Laureigh, Vice Chairperson, Township of Lacey
Joanne Bergin, Secretary, Township of Brick
Michael Gross, Borough of Surf City
Matthew von der Hayden, Township of Stafford
Senator Robert Singer, Township of Lakewood,
John O. Bennett III, Borough of Lavallette
Scott Tirella, Township of Toms River, Alternate #1
Edward Zakar, Beachwood Borough, Alternate #2
Diane Ambrosio, Township of Ocean, Alternate #3

At the direction of Chairperson Lapp, Executive Director continued the meeting noting the total of eleven (11) reorganization resolutions which will be read into the record for consideration, at the completion of the review, unless there are any individual questions from members of the Executive Committee, Fund Commissioners or members of the public, or a resolution should be pulled, all resolutions will be considered for adoption as a consent agenda:

Resolution 1-24 - Election of Chairman & Secretary – Diane Lapp/Joanne Bergin
Resolution 2-24 - Appointment of Banking Manager – Citizens Bank
Resolution 3-24 - Appointment of Asset Manager – Wilmington Trust
Resolution 4-24 - Appointment of Fund Qualified Purchasing Agent – The Canning Group
Resolution 5-24 – Establishing Public Meeting Procedures
Resolution 6-24 – Establishing a Remote Meeting Procedure
Resolution 7-24 – Establishing a Fiscal Management Plan
Resolution 8-24 – Establishing a Fund Records Program
Resolution 9-24 – 9A-24, 9B-24, 9C-24 – Appointing Legal Defense
Resolution 10-24 – POL / EPL and VD & O Liability – Lexington Insurance Company
Resolution 11-24 – 2024 Plan of Risk Management

Executive Director asked if there were any questions on the resolutions. Hearing none, request for a motion to approve Resolutions 1-24 through 11-24 was made.

MOTION TO ADOPT RESOLUTIONS 1-24 THROUGH 11-24 AS PRESENTED

MOVED:	Commissioner Laureigh
SECOND:	Commissioner Bergin
ROLL CALL VOTE:	Unanimous

Committee Appointments

Executive Director referred to the list of five standing committees and the description of their charges advising if any Commissioner is interested in serving on a committee may reach out directly to the Fund office or to Chairwoman Lapp.

TREASURER:

Fund Treasurer referred to the following bill lists:

December 2023 – Bill List - Resolution 26-23

FUND YEAR	AMOUNT
2023	\$176,532.66
TOTAL	\$ 176,532.66

MOTION TO APPROVE RESOLUTION #26-23 APPROVAL FOR PAYMENT OF DECEMBER 2022 BILLS LIST

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

January 2024 – Bill List - Resolution #12-24

FUND YEAR	AMOUNT
2023	\$1,585,772.88
2024	\$2,558,363.50
TOTAL	\$4,144,136.38

Fund Treasurer advised as of November 2023 the Funds cash balance has decreased by approximately \$300,000 in comparison to this time last year. In response to Commissioner Laureigh Fund Treasurer advised although investments have increased, the decrease is due to the increase in claims.

MOTION TO APPROVE RESOLUTION #12-24 APPROVAL FOR PAYMENT OF JANUARY 2024 BILLS LIST

MOTION: Commissioner Laureigh
SECOND: Senator Singer
ROLL CALL VOTE: Unanimous

Copy of the Treasurer's Report made a part of the Minutes.

EXECUTIVE DIRECTOR

2024 Budget

Executive Director said in accordance with the regulations, the budget adopted by the Fund has been advertised in the Fund's official newspaper, distributed to member municipalities and filed with the State.

2024/2025 Professional Contracts

Executive Director said during the meeting of March 9, 2023 the Executive Committee adopted Resolution #15-23 authorizing the two-year extension of professional contracts with exception of Claims Service and Managed Care providers which will be a one-year extension. With regards to claims and managed care, the decision to extend these contracts for an additional year or release an RFP will be determined at a later date. The attached memorandum provides a summary of contracts in force and sets forth compensation for Fund year 2024; 2025 will be promulgated by the 2025 budget. Executive Director also noted the representative change for the Risk Management contract due to the retirement of Mike Avalone to Tom Merchel; there is no change in fee from the adopted 2024 budget.

2024 Assessments

Executive Director said all members have been sent their first installment billings in the second week of December, in accordance with the Fund's bylaws. Amounts are due and payable by **January 15, 2024.**

MEL 2024 Reorganization Meeting

Executive Director said the MEL held their 2024 public hearing meeting on November 15, 2023 and held its Reorganization Meeting on January 8, 2024. Commissioner Laureigh's report of the November meeting was reviewed as distributed. The January report will be included in the next agenda. Executive Director advised that Mr. Grubb announced in November that he is stepping down as the MEL Executive Director, Joseph Hrubash has now been appointed as the MEL Executive Director.

Power of Collaboration

Executive Director referred to the latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine. The ad highlights the updated version of the MEL App available to download on you cell phone device. Note – you must delete the old app from your device prior to downloading the new version.

Employment Practices Program

The MEL's Annual Elected Officials Seminar sessions were held in Atlantic City as part of the League of Municipalities Conference. The course has been added to the MEL Safety Institute. Instructions to access the seminar were provided in the agenda.

E-JIF 2024 Reorganization Meeting

Executive Director said the E-JIF met on November 8, 2023 and December 14, 2023 and held its Reorganization meeting on January 8, 2024. Commissioner Laureigh's report of the November and December meeting was reviewed as distributed. The January report will be included in the next agenda.

RCF 2024 Reorganization Meeting

Executive Director said the RCF also held its Reorganization meeting on January 8, 2024. Commissioner Laureigh's report will be included in the next agenda.

Cyber JIF

Executive Director said the New Jersey Cyber Risk Management Fund conducted its public hearing on the 2024 budget on November 20th via Zoom and also met on December 28, 2023 via Teams. A copy of Commissioner Lapps's report of each meeting was reviewed as distributed.

Executive Director noted the Cyber JIF has contracted with D2 to provide training, phishing and external scanning for members; the service is available to members at no extra charge and further encouraged members to take advantage of the training program as it will increase awareness at the local level to identify possible fraudulent attempts by bad actors; the program will also assist in the cyber compliance for members.

Members received an email from D2 outlining the process to upload emails and IP addresses so they can launch training and external scanning. Members were asked to provide a point of contact for emails and IP addresses. D2 has been reaching out to members that have not provided the necessary information yet and Perma will also follow up.

Starting November 7th, the Cyber JIF launched a "Members Only" section of their website. Members wishing to view secure documents will now be required to have a username and password. Fund Commissioners and Risk Managers received an email from WordPress with instructions on setting up the login credentials. PERMA also notified commissioners via email.

Banking Practices and Cyber Security Framework

Executive Director said in response to increased wire fraud activity and whitewashing of checks, the Municipal Excess Liability Joint Insurance Fund has developed “Best Banking Practices – Wire Transfers, Automatic Clearing House (ACH) and Check Issuance”. A copy of the email sent to members on December 4th distributing the Best Practices in addition to a copy of the revised Cyber Security Framework was reviewed as distributed.

In response to Senator Singer, the implementation of “positive pay” was added to the Banking Best Practices that was sent out, as reminder Mr. Merchel will reach out to members to confirm same.

Chairwomen Lapp advised that their municipality was hit very hard in 2019 due to check washing, although the money was not lost, they were able to identify the name on the check through positive pay; the implementation is highly recommended.

Pauline Kontomanolis advised that when the request is made with the bank it is very important to be careful on what you are requesting as there is a difference in positive pay and payee positive pay. Positive Pay identifies the check number, check amount and date; Payee Positive Pay also looks at the payee which addresses the whitewashing and is strongly recommended when defining which to implement. There are several good practices which address wire transfers and alerts that can be set up. Ms. Kontomanolis advised there is no doubt that the attempts by fraud are increasing at a high rate and implementation of the alerts and checking your accounts daily is very important.

Mr. Merchel added that he had the pleasure of working with Ms. Kontomanolis in conjunction with the JCMI, Cyber JIF and MEL Coverage Committee; this information was sent out to the CFOs and Fund Chairpersons. Mr. Merchel advised that it is very important that all CFOs are aware of the best practices and also advised that this is a compliance requirement with the Cyber JIF program, and with the Crime Coverage. If any member is in need of the best practices issued, to please contact Mr. Merchel or the Fund office.

Property Appraisals

Executive Director said as discussed during the 2023 year, the MEL has mandated that all JIFs look at procuring a vendor or vendors to perform property appraisals and collecting Construction, Occupancy, Protection and Exposure characteristics (COPE) information for owned properties valued at \$500,000 and above. The goal is for our membership to determine their own insurable values and to make sure we capture the necessary COPE information to obtain broader coverage at the best available price. The property insurance companies were arbitrarily increasing certain location of values that they felt were less than 80% of value, by 3%, resulting in a 4-5% increase overall. Enclosed is resolution #13-24 for consideration of the release of competitive contract for property appraisal services.

MOTION TO ADOPT RESOLUTION #13-24 AUTHORIZING THE QUALIFIED PURCHASING AGENT TO PROCURE PROPERTY APPRAISAL PROFESSIONAL SERVICES, AND INSURANCE RELATED FIRMS THROUGH THE COMPETITIVE CONTACTING PROCESS IN ACCORD WITH (N.J.S.A. 40A:11-4.1 ET. SEQ.) FOR PROPERTIES VALUED AT \$500,000 AND ABOVE.

MOTION:
SECOND:
VOTE:

Senator Singer
Commissioner Laureigh
Unanimous

Risk Management Information/Operating System (RMIS)

The Origami database has now been reopened. Members can resume making changes to underwriting data.

ATTORNEY

Fund Attorney took this time to wish everyone, their families and municipal members a very safe, healthy, peaceful and Happy New Year. Nothing further to report.

SAFETY DIRECTOR

Safety Director reviewed the November and December loss control and law enforcement surveys advising of that 18 surveys were completed in addition to two meetings attended. Safety Director further advised of the newly launched updated MEL APP is available which all MSI communications are released through the app and instructions to download the new MEL app are available within the link of the report.

Safety Director also reviewed the MSI NOW report for November and December and encouraged members to increase their usage particularly in the winter season. The MSI Live schedule is up to date for 2024; if any member runs into a problem, feel free to contact Andrea Felip or himself for assistance.

Copy of the Safety Director's Report made a part of the Minutes

UNDERWRITING MANAGER

Underwriting Manager said he and his team completed the 2024 renewal for the MEL program which coverages are outlined within the risk management plan as reviewed and distributed and will become a part of our coverage documents. Underwriting Manager said the 2024 renewal resulted in a fantastic year for the MEL in a very tough market as we were able to beat our estimated budget of August expecting a rate increase of over 10% however, we fell below the 10% saving the MEL over \$1M. In addition to that we were able to increase coverage and reduce the MELs financial risk, especially in the property line with an increase in high hazard flood limits from \$27M to \$50M which may be of interest to members of the Ocean JIF. Underwriting Manager said if anyone needs assistance to feel free to reach out to his team noting the release of certificates of insurance, posting notices, auto id cards and statutory bonds.

Lastly, Underwriting Manager advised of the new cyber risk management program which will be released by a media blast from his office and further encouraged members to review the information as updated.

List of Certificates and Cyber Compliance Status report made part of the Minutes.

RISK MANAGEMENT

Mr. Thomas Merchel introduced himself as the Risk Management Consultant appointed due to the retirement of Mr. Avalone. Mr. Merchel advised that he has been in local government for over 35 years; four years with Bowman and Company conducting audits for local government and school districts, also serving 5 years in Pennsauken, 26 years in Moorestown Twp. as CFO, Deputy Manager and at times Township Manager for many years. Mr. Merchel has also been involved with the Joint Insurance Funds for 25 years serving as the Chairman of the PMM JIF, Commissioner of the MEL, RCF and EJIF as well as Chairman to the MEL and Chairman to the

newly created Cyber JIF. Mr. Merchel said he and his team, Katie Walters and Jaclyn Lindsey are looking forward to working with everyone.

Ms. Walters welcomed Mr. Merchel to the JIF risk management team. Ms. Walters reviewed the risk management report as distributed highlighting the elected officials training course and instructions now available which members can receive a \$250 credit towards their assessment if completed by May 1st further advising those that had taken the course during the League of Municipalities do not have to retake the course. Ms. Walters also noted that information will also be distributed from their office once underwriting manager releases updates to the Cyber JIF program in an effort to assist members to become compliant by the extended deadline of July 1, 2024. The balance of the report was informational for members to review.

In response to Chairwoman Lapp, Ms. Walters and Mr. Callahan thanked her for her positive comments with regards to attending the Safety Committee meeting of Manchester Township.

Copy of the Risk Manager's Report made a part of the Minutes.

MANAGED CARE

Managed Care provided referred to the agenda report as distributed advising during the 2023 Fund year there was a total of 5,785 bills submitted with 96% network utilization. The charges of the bills submitted totaled \$7,398,784 after applying Qual-Lynx's rates, the total charges were reduced to \$2,753,937 for a total savings of \$4,644,847 or 63% savings.

OLD BUSINESS

None.

NEW BUSINESS

None

PUBLIC FOR COMMENT

Ms Lopez advised that Ms. Carney sent a beautiful card thanking the Board for the retirement gift provided.

EXECUTIVE SESSION

None

CLAIMS SERVICE

Claims Administrator said the Claims Committee met on Tuesday, January 9, 2024 and reviewed 22 PARs, the Committee approved the PARs as presented.

Claims Administrator referred to the updated service team listing for review and requested members to distribute to their department heads and/or persons responsible for reporting claims.

Claims Administrator respectfully requested a motion to approve the PARs as recommended by the Claims Administrator,

MOTION TO APPROVE PAYMENT OF CLAIMS AS REVIEWED AND RECOMMENDED BY THE CLAIMS COMMITTEE.

Claim #	Type
2021226888	WC
2024318208	WC
2023304906	WC
2024319943	WC
2023277657	WC
2024320333	WC
2024321179	WC
2024321174	WC

Claim #	Type
2024312462	WC
2024312246	WC
2024308874	WC
2020200116	GL
2021240514	GL
2021240524	GL
2022266209	AL
2022252778	GL

Claim #	Type
2021213617	GL
2021239054	GL
2022260171	GL
2022249375	GL
2024311827	Prop
2019148065	Prop

MOTION: Senator Singer
SECOND: Commissioner Gross
ROLL CALL VOTE: Unanimous

MOTION TO ADJOURN MEETING:

MOTION: Senator Singer
SECOND: Commissioner Gross
VOTE: Unanimous

Meeting Adjourned at: 3:37 PM

NEXT MEETING: March 14, 2024 - 3:00 PM

- Secretary