

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
MINUTES  
JANUARY 12, 2017  
TOMS RIVER MUNICIPAL BUILDING  
3:00 P.M.**

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**SINE DIE MEETING**

Meeting Called to Order by Chairman Pine. Open Public Meeting Statement read into the record.

Pledge of Allegiance

**ROLL CALL OF 2016 EXECUTIVE COMMITTEE:**

James Pine, Chairperson, Township of Eagleswood	Present
Charlene Carney, Vice Chair, Borough of Pine Beach	Present
Paul Shives, Secretary, Township of Toms River	Present
Diane Lapp, Township of Manchester	Present
Veronica Laureigh, Twp. of Lacey	Present
Joseph Gilsean, Township of Brick, Alternate #1	Present
Isaac Akerman, Township of Lakewood, Alternate #2	Absent

**APPOINTED OFFICIALS PRESENT:**

<b>Executive Director /Administrator</b>	Perma Risk Management Services.	Stephen Sacco	Present
<b>Attorney</b>	Citta, Holzapfel, Zabarsky	Steven Zabarsky, Esq.	Present
<b>Treasurer</b>		Bill Garofalo	Present
<b>Claims Service</b>	Qual-Lynx	Gemma Armenia	Present
<b>Underwriting Manager</b>	Conner Strong & Buckelew	Ed Cooney	Present
<b>Safety Director</b>	JA Montgomery	Joanne Hall	Present
<b>Risk Management Consultants</b>	Conner Strong & Buckelew	Mike Avalone	Present

**ALSO PRESENT**

Jason Thorpe, PERMA  
Taylor Jacob, CSG  
Joe Mirarchi, JA Montgomery

**APPROVAL OF MINUTES:** November 10, 2016

**MOTION TO APPROVE OPEN & CLOSED MINUTES FOR ABOVE REFERENCED MEETING**

**MOTION:** Commissioner Gilsenan  
**SECOND:** Commissioner Laureigh  
**ROLL CALL VOTE:** Unanimous

**CORRESPONDENCE:**

None

**OLD BUSINESS:**

Mr. Sacco informed the audience that it was Chairman Pine’s last meeting. He said that Chairman Pine has been a great leader and has given the Fund great support over the years. He then thanked Chairman Pine for his years of dedicated public service and everything that he has done for the Fund. Following a round of applause, Chairman Pine indicated that he would like to say a few words. He said that throughout the years that he has been associated with the JIF everyone involved has ran it thoroughly and efficiently. He added that the Fund Professionals have always worked very passionately. He further added that the Fund has made great strides with the safety program. Chairman Pine thanked everyone for allowing him to serve and said it has been an honor. Commissioner Shives commented that Chairman Pine never had a narrow viewpoint and always looked at the Fund as a friend to Ocean County. He personally thanked him and wished him well.

**MOTION TO ADJOURN SINE DIE MEETING:**

**MOTION:** Commissioner Lapp  
**SECOND:** Commissioner Laureigh  
**VOTE:** Unanimous

Chairman requested the Executive Director, Mr. Sacco to chair the meeting. Mr. Sacco indicated that in accordance with the By-Laws of the Fund, it is necessary to elect a Chairperson, Secretary, Executive Committee and Fund Alternates. He requested that Mr. Thorpe call the roll of Fund Commissioners to determine if a quorum was present to proceed with a reorganization of the Fund.

**ROLL CALL OF FUND COMMISSIONERS:**

2017 Roll Call	FC	Alternate	PRESENT	ABSENT
Barneгат Light Borough	Brenda Kuhn	Kathleen Flanagan	x	
Barneгат Township	Martin Lisella	Thomas Lombarski	x	
Bay Head Borough	Patricia Applegate		x	
Beach Haven Borough	Sherry Mason	Shari Boehler		x
Beachwood Borough	Ed Zakar			x
Brick Township	Joseph Gilsenan		x	
Eagleswood Borough	Cindy Maresca			x
Harvey Cedars Borough	Michael Garafalo	Daina Dale	x	
Island Heights Borough	Katherine Fenton-Newman			x
Jackson Twp	Helene Schlegel			x
Lacey Township	Veronica Laureigh	Mark Dykoff	x	
Lakehurst Borough	Bernadette Dugan	Maryanne Capasso	x	
Lakewood Township	Thomas Henshaw	Menashe Miller/Meir Lichtenstein		x
Lavallette Borough	John Bennett	Michael Stogdill		x
Little Egg Harbor Township	Garrett Loesch			x
Long Beach Township	Lisa Jones		x	
Manchester Township	Diane Lapp		x	
Ocean Gate Borough	Paul Kennedy			x
Ocean Township	Diane Ambrosio	Sandra Pirozzi	x	
Pine Beach Borough	Charlene Carney		x	
Plumsted Township	Eric Sorchik	Jack Trotta	x	
Point Pleasant Borough	Robert Forsyth		x	
Pt. Pleasant Beach Boro	Christine Riehl	Eileen Farrell		x
Seaside Heights Borough	William Akers	Christopher Vaz	x	
Seaside Park Borough	Mike Tierney	Robert Martucci		x
Ship Bottom Borough	Mark Pino	Kathleen Flanagan	x	
South Toms River Borough	Joseph Kostecki		x	
Stafford Township	John Spodofora	James Moran		x
Surf City Borough	Michael Gross		x	
Toms River Twp	Paul Shives		x	
Tuckerton Borough	Jenny Gleghorn			x

It was established a quorum of the Fund Commissioners was present, thus Mr. Sacco indicated the Reorganization of the Fund would continue. He 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: Commissioner Laureigh  
 SECOND: Commissioner Shives  
 VOTE: Unanimous

**NOMINATING COMMITTEE REPORT:** Commissioner Shives said the Nominating Committee would recommend the following slate:

Diane Lapp, Chairperson, Township of Manchester Charlene Carney, Vice Chairperson, Borough of Pine Beach Paul Shives, Secretary, Township of Toms River Veronica Laureigh, Township of Lacey Joseph Gilsenan, Township of Brick Michael Gross, Borough of Surf City Joseph Kostecki, Borough of South Toms River William Akers, Borough of Seaside Heights, Alternate #1 Thomas Henshaw, Township of Lakewood, Alternate #2
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Mr. Sacco asked for additional nominations. Hearing none, Mr. Sacco asked for a motion to close nominations and confirm elections as presented by the nominating committee.

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

MOVED: Commissioner Shives  
SECOND: Commissioner Laureigh  
VOTE: Unanimous

Mr. Sacco asked Mr. Zabarsky to swear in the 2017 Executive Committee and complete the Oaths of Office.

Oaths of Office made a part of the Minutes.

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

**ROLL CALL OF 2017 EXECUTIVE COMMITTEE:**

<b>Diane Lapp</b> , Chairperson, Township of Manchester - Present <b>Charlene Carney</b> , Vice Chairperson, Borough of Pine Beach - Present <b>Paul Shives</b> , Secretary, Township of Toms River - Present <b>Veronica Laureigh</b> , Township of Lacey - Present <b>Joseph Gilsenan</b> , Township of Brick - Present <b>Michael Gross</b> , Borough of Surf City - Present <b>Joseph Kostecki</b> , Borough of South Toms River - Present <b>William Akers</b> , Borough of Seaside Heights, Alternate #1 - Present <b>Thomas Henshaw</b> , Township of Lakewood, Alternate #2 - Absent
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Mr. Sacco indicated that he would review the reorganization resolutions with the committee. He then requested the following Resolutions be considered for adoption with one motion as a consent agenda, unless a Fund Commissioner or Executive Committee member objected:

Resolution No. 1-17 Certifying the Election of Chairman and Secretary.

2-17 Appointing Certain Professionals and Service Organizations.

3-17 Establishing Public Meeting Procedures.

4-17 Establishing a Fiscal Management Plan. Commissioner Carney was chosen for the additional check signatory.

5-17 Establishing a Fund Records Program

6a-17, 6b-17, and 6c-17 Appointing approved counsel

7-17 Establishing the 2017 plan of risk management.

8-17 Named Storm Deductible Risk Sharing Program

Upon conclusion, the acting Chairman asked if there were any questions on the resolutions. Hearing none, Mr. Sacco asked for a motion to approve Resolutions 1-17 through 8-17

**MOTION TO ADOPT RESOLUTIONS 1-17 THROUGH 8-17 AS PRESENTED**

MOVED: Commissioner Laureigh  
SECOND: Commissioner Gilsenan  
ROLL CALL VOTE: 7 ayes, 0 nays, 1 abstention  
Commissioner Akers

Mr. Sacco then turned the meeting over to Chairperson Lapp.

**TREASURER:**

Mr. Garofalo thanked the Committee for re-appointment. He went on to review the report he distributed prior to the meeting detailing the financial portfolio of the Fund as well as the cash investments and imprest/transfers. Mr. Garofalo also reported on the Bills List for the month that was enclosed within the agenda booklet.

December 2016

FUND YEAR	AMOUNT
2016	\$1,222,389.11
<b>TOTAL</b>	<b>\$1,222,389.11</b>

**MOTION TO APPROVE RESOLUTION # 25-16  
APPROVAL FOR PAYMENT OF DECEMBER 2016 BILLS LIST**

**MOTION:** Commissioner Shives  
**SECOND:** Commissioner Laureigh  
**ROLL CALL VOTE:** Unanimous

December 2016

<b>FUND YEAR</b>	<b>AMOUNT</b>
Closed Years	\$688,200.88
<b>TOTAL</b>	<b>\$688,200.88</b>

**MOTION TO APPROVE RESOLUTION # 26-16  
APPROVAL FOR PAYMENT OF DIVIDENDS LIST**

**MOTION:** Commissioner Shives  
**SECOND:** Commissioner Laureigh  
**ROLL CALL VOTE:** Unanimous

January 2017

<b>FUND YEAR</b>	<b>AMOUNT</b>
2016	\$18,405.68
2017	\$1,324,008.62
<b>TOTAL</b>	<b>\$1,342,414.30</b>

**MOTION TO APPROVE RESOLUTION # 9-17  
APPROVAL FOR PAYMENT OF JANUARY 2017 BILLS LIST**

**MOTION:** Commissioner Shives  
**SECOND:** Commissioner Laureigh  
**ROLL CALL VOTE:** Unanimous

**MOTION TO ACCEPT CLAIMS/IMPREST TRANSFERS FOR  
NOVEMBER AND DECEMBER 2016 AS CERTIFIED BY THE  
TREASURER**

**MOTION:** Commissioner Kostecki  
**SECOND:** Commissioner Carney  
**ROLL CALL VOTE:** Unanimous

**2017 ASSESSMENTS** – Mr. Garofalo reminded the Board that first installment payments are due and payable by January 15, 2017.

*Copy of the Treasurer’s Report made a part of the Minutes.*

**EXECUTIVE DIRECTOR:**

**PUBLIC OFFICIALS/EMPLOYMENT PRACTICES** – Mr. Sacco explained that in 2011 the Fund approved and implemented the Deferred Deductible Payment Plan offering member entities the ability to select an option for the JIF to process payment for the members’ deductible and/or co-payments and to select the term of its repayments to the Fund. He informed the Board that the Borough of Point Pleasant is requesting a deferred payment plan. He then referred to the Agreement form to be executed between the municipality and the Ocean JIF and asked for a motion to approve the request.

**MOTION TO ACCEPT THE REQUESTED FOUR- YEAR DEFERRED PAYMENT PLAN ON BEHALF OF THE BOROUGH OF POINT PLEASANT IN THE SETTLEMENT OF THE EPL CASE.**

**MOTION:** Commissioner Carney  
**SECOND:** Commissioner Gross  
**ROLL CALL VOTE:** Unanimous

**MEL/ E-JIF/ RCF 2017 REORGANIZATION MEETINGS** - Mr. Sacco reported that the MEL, E-JIF, and RCF all held their Reorganization Meetings on January 4, 2017. He then referred to Commissioner Shives’ reports on the meetings enclosed within the agenda booklet.

**PAY TO PLAY (2017)** – Mr. Sacco indicated that the Fund has advertised the RFQ for the Fund Attorney and Defense Panel with a return date of November 1, 2016. He added that it has been requested that the Fund reissue the RFQ for the position of Defense Attorney only and noted that the RFQ will only be for firms that did not respond previously.

**MOTION TO AUTHORIZE THE ADVERTISEMENT OF REQUEST FOR QUALIFICATIONS FOR THE POSITION OF DEFENSE ATTORNEY**

**MOTION:** Commissioner Gilsenan  
**SECOND:** Commissioner Shives  
**ROLL CALL VOTE:** Unanimous

**DUE DILIGENCE REPORTS** - Mr. Sacco referred the Committee to the Financial Fast Track chart contained within the agenda booklet. He reported that after booking the 2016 dividend the statutory surplus position is 11.7 million. He added that the Fund’s excellent financial condition.

**ATTORNEY:**

Mr. Zabarsky advised that his report will be conducted during closed session and thanked the Committee for reappointment.

**SAFETY DIRECTOR:**

Ms. Hall reviewed the December activities and the January agenda. She advised the Committee of upcoming meetings and trainings. She then referred to the Safety Director’s bulletins that were recently released enclosed within the agenda booklet. Ms. Hall indicated that a Safety Committee meeting is scheduled for January 31<sup>st</sup> in Brick Township. She informed the audience that the Annual Safety Breakfast is scheduled for March 15<sup>th</sup> and asked that everyone mark their calendars.

*Copy of the Safety Director’s Report made a part of the Minutes*

**UNDERWRITING MANAGER:**

Mr. Cooney informed the Board that there are alternative higher limit options for cyber liability available this year, both with the current carrier, XL Catlin, as well as a company named Beazley Insurance. He noted that the Fund currently has Option #2 with XL Catlin. He then referred the Board to the various options available enclosed within the agenda booklet. Mr. Avalone reviewed the various options available and informed the Board that the Monmouth JIF purchased Option #2 with Beazley Insurance as excess over their coverage with XL Catlin and remand the decision to purchase higher limits to the Coverage Committee. He suggested that the Ocean JIF take the same approach of remaining with XL Catlin Option #2 and purchasing Beazley Insurance Option #2 as excess over the XL Catlin policy in place. He noted that no member would receive an additional bill as the Fund would absorb the cost through contingency.

**MOTION TO AUTHORIZE THE PURCHASE OF BEAZLEY INSURANCE OPTION #2 AS EXCESS OVER XL CATLIN OPTION #2, WITH THE ABILITY TO PURCHASE HIGHER LIMITS FOLLOWING THE COVERAGE COMMITTEE MEETING.**

**MOVED:** Commissioner Shives  
**SECOND:** Commissioner Gilsenan  
**VOTE:** Unanimous

Mr. Cooney advised that it is important for members to report cyber claims properly. He advised that if a member believes they have a cyber claim they should report it to the TPA immediately.

Lastly, Mr. Cooney highlighted changes for 2017. He informed the Board that the MEL increased flood coverage from 75 million to 100 million. He also informed



the Board that coverage for owned drones has been added into the casualty program, specifically in general liability regarding owned drones that the municipalities own themselves. Mr. Cooney noted that there are guidelines that need to be followed and the information can be found on the coverage bulletin.

*List of Certificates made part of the Minutes.*

**CLAIMS SERVICE:**

Ms. Tyler-Schohl thanked the Committee for reappointment and indicated that the Claims Services report would be given in Closed Session.

**RISK MANAGEMENT CONSULTANT:**

Mr. Avalone began by thanking the Board for reappointment on behalf of Conner Strong & Buckelew. He noted that Chairperson Lapp is serving as the first female Chair of the Fund and congratulated her.

Mr. Avalone reminded the Board and the audience that the deadline compliance in the MEL's POL/EPL Plan of Risk Management program was October 1<sup>st</sup>. He advised that the Fund is almost 100% compliant with the checklists and referred to the report in the agenda of which members are outstanding.

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

**MANAGED CARE:**

Ms. Jacob referred the Committee to her report contained in the agenda booklet. She informed the Committee that through the month of December, there has been a savings of \$2,915,559.73 or 55.52% on the medical billing for Workers' Compensation claims.

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None.

**MEETING OPENED TO PUBLIC FOR COMMENT:**

No Public Comments were made,

**PUBLIC COMMENT PORTION OF THE MEETING CLOSED**

**MOTION TO ENTER EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING PENDING AND THREATENING LITIGATION:**

**MOTION:** Commissioner Laureigh  
**SECOND:** Commissioner Gilsenan  
**VOTE:** Unanimous

**MOTION TO ADJOURN EXECUTIVE SESSION:**

**MOTION:** Commissioner Shives  
**SECOND:** Commissioner Gilsenan  
**VOTE:** Unanimous

**MOTION TO APPROVE PAYMENT OF CLAIMS AS DISCUSSED IN EXECUTIVE SESSION, THE FOLLOWING PARS WERE APPROVED:**

**Workers Compensation**

001251453  
001263178  
001257997  
001251426  
001264313  
001258149  
001258360  
001176363  
00129188  
00123464

**GL, AL, and Property claims**

001178029  
001174723  
001247481  
001246747

**MOTION:** Commissioner Gilsenan  
**SECOND:** Commissioner Shives  
**ROLL CALL VOTE:** Unanmious

**MOTION TO ADJOURN MEETING:**

**MOTION:** Commissioner Carney  
**SECOND:** Commissioner Laureigh  
**VOTE:** Unanimous

Meeting Adjourned at: 3:40 PM

NEXT MEETING: March, 2017 3:00 PM  
Toms River Municipal Building  
33 Washington Street  
Toms River, NJ 08754

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- Secretary

# OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 25-16

DECEMBER 2016

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

BE IT RESOLVED that the Ocean County Municipal Joint Insurance 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>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
<b>001126</b>			
001126	SHIP BOTTOM FIRE COMPANY	<b>VOIDED</b>	6240.04- <b>6240.04-</b>
<b>001156</b>			
001156	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND - 4TH QTR 2016	5,216.63 <b>5,216.63</b>
<b>001157</b>			
001157	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 4TH QTR 2016	241,825.95
001157	MUNICIPAL EXCESS LIABILITY JIF	MEL 4TH QTR 2016	720,334.31 <b>962,160.26</b>
<b>001158</b>			
001158	POINT PLEASANT BEACH BOROUGH	REIMBURSEMENT - OVERPAID 2ND INSTALLMENT	13,020.07 <b>13,020.07</b>
<b>001159</b>			
001159	OCEAN TOWNSHIP	REIMBURSEMENT - OVERPAID 2ND INSTALLMENT	6,226.08 <b>6,226.08</b>
<b>001160</b>			
001160	SHIP BOTTOM BOROUGH	REIMB DUP 2ND INSTALLMENT PAYMENT	6,240.04 <b>6,240.04</b>
<b>001161</b>			
001161	INDIAN HARBOR INSURANCE COMPANY	RUPPERT v BOROUGH OF PT PLEASANT 12/16	41,162.02
001161	INDIAN HARBOR INSURANCE COMPANY	FREDMAN v BOROUGH OF PT PLEASANT 12/16	25,275.43
001161	INDIAN HARBOR INSURANCE COMPANY	KLOSS v BOROUGH OF PT PLEASANT 12/16	2,530.47 <b>68,967.92</b>
<b>001162</b>			
001162	QUAL-LYNX	OUTSIDE ADJUSTER - 12/2016	5,488.37
001162	QUAL-LYNX	CLAIMS ADMIN - 12/2016	56,377.38 <b>61,865.75</b>
<b>001163</b>			
001163	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 12/2016	10,105.25 <b>10,105.25</b>
<b>001164</b>			
001164	PERMA	POSTAGE FEE 11/2016	31.75
001164	PERMA	EXECUTIVE DIRECTOR FEE 12/2016	24,009.00 <b>24,040.75</b>
<b>001165</b>			
001165	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 12/2016	3,701.25

			<b>3,701.25</b>
<b>001166</b>			
001166	CITTA, HOLZAPFEL & ZABARSKY PC	LITIGATION MANAGEMENT - 11/28/16	14,495.75
001166	CITTA, HOLZAPFEL & ZABARSKY PC	ATTORNEY FEE 11/28/16	3,462.16
			<b>17,957.91</b>
<b>001167</b>			
001167	CONSOLIDATED SERVICES GRP, INC	MANAGED CARE SERVICES - 12/2016	23,654.75
			<b>23,654.75</b>
<b>001168</b>			
001168	WILLIAM GAROFALO	TREASURER FEE 12/2016	2,865.00
			<b>2,865.00</b>
<b>001169</b>			
001169	ASBURY PARK PRESS	ACCT: ASB-028930 - 11/30/16 - LAGOON DR	152.00
001169	ASBURY PARK PRESS	ACCT: ASB-028930 - 10/29/16 - PROP BDGT	69.50
			<b>221.50</b>
<b>001170</b>			
001170	MUNICIPAL EXCESS LIABILITY JIF	MSI 4TH QTR 2016	21,048.59
			<b>21,048.59</b>
<b>001171</b>			
001171	ALLSTATE INFORMATION MANAGEMNT	ACCT: 411 - ACT & STOR 10/31/16	60.56
			<b>60.56</b>
<b>001172</b>			
001172	BRIAN J. KLIMAKOWSKI	REIMB REFRESHMENTS STAFF TRNG 8/31/16	133.78
			<b>133.78</b>
<b>001173</b>			
001173	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER - 12/2016	943.06
			<b>943.06</b>
<b>001174</b>			
001174	EXECU-TECH, INC.	MONTHLY WEBSITE MAINTENANCE FEE 12/2016	200.00
			<b>200.00</b>
		Total Payments FY 2016	1,222,389.11

**TOTAL PAYMENTS ALL FUND YEARS \$ 1,222,389.11**

# OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND DIVIDENDS LIST

Resolution No. 26-16

DECEMBER 2016

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

BE IT RESOLVED that the Ocean County Municipal Joint Insurance 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 CLOSED**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
<b>001137</b>			
001137	BARNEGAT LIGHT BOROUGH	2016 DIVIDENDS	3,907.84
			<b>3,907.84</b>
<b>001138</b>			
001138	TOMS RIVER TOWNSHIP	2016 DIVIDENDS	198,923.84
			<b>198,923.84</b>
<b>001139</b>			
001139	MANCHESTER TOWNSHIP	2016 DIVIDENDS	77,450.07
			<b>77,450.07</b>
<b>001140</b>			
001140	PINE BEACH BOROUGH	2016 DIVIDENDS	7,735.79
			<b>7,735.79</b>
<b>001141</b>			
001141	SOUTH TOMS RIVER BOROUGH	2016 DIVIDENDS	7,497.29
			<b>7,497.29</b>
<b>001142</b>			
001142	JACKSON TOWNSHIP	2016 DIVIDENDS	44,604.79
			<b>44,604.79</b>
<b>001143</b>			
001143	BARNEGAT TOWNSHIP	2016 DIVIDENDS	24,362.10
			<b>24,362.10</b>
<b>001144</b>			
001144	BEACHWOOD BOROUGH	2016 DIVIDENDS	17,870.29
			<b>17,870.29</b>
<b>001145</b>			
001145	BRICK TOWNSHIP	2016 DIVIDENDS	93,945.66
			<b>93,945.66</b>
<b>001146</b>			
001146	PLUMSTED TOWNSHIP	2016 DIVIDENDS	7,223.90
			<b>7,223.90</b>
<b>001147</b>			
001147	POINT PLEASANT BEACH BORO	2016 DIVIDENDS	25,693.09
			<b>25,693.09</b>
<b>001148</b>			
001148	LITTLE EGG HARBOR TOWNSHIP	2016 DIVIDENDS	21,203.94
			<b>21,203.94</b>
<b>001149</b>			
001149	SHIP BOTTOM BOROUGH	2016 DIVIDENDS	13,668.54

			<b>13,668.54</b>
<b>001150</b>			
001150	LACEY TOWNSHIP	2016 DIVIDENDS	52,609.39
			<b>52,609.39</b>
<b>001151</b>			
001151	SEASIDE HEIGHTS BOROUGH	2016 DIVIDENDS	55,245.46
			<b>55,245.46</b>
<b>001152</b>			
001152	SEASIDE PARK BOROUGH	2016 DIVIDENDS	42,726.12
			<b>42,726.12</b>
<b>001153</b>			
001153	ISLAND HEIGHTS BOROUGH	2016 DIVIDENDS	5,369.28
			<b>5,369.28</b>
<b>001154</b>			
001154	LAKESIDE TOWNSHIP	2016 DIVIDENDS	84,977.35
			<b>84,977.35</b>
<b>001155</b>			
001155	SURF CITY BOROUGH	2016 DIVIDENDS	14,231.22
			<b>14,231.22</b>
		Total Payments Closed Year	799,245.96

**TOTAL PAYMENTS ALL FUND YEARS \$ 799,245.96**





**RESOLUTION NO. 2-17**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**

(Hereinafter referred to as the "FUND")

**APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS**

**WHEREAS**, the FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et. seq.); and

**WHEREAS**, The FUND finds it necessary and appropriate to obtain certain professional services and other extraordinary and other unspecifiable services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-11 et. seq.) for the 2015, 2016, and 2017 Fund Years.

**WHEREAS**, NJSA 40a11-15 (6) allows for a contract duration of three (3) years; and,

**WHEREAS**, a notice soliciting proposals was published on the Fund's website; and,

**WHEREAS**, the FUND held a bid opening on August 20, 2014 in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.; and

**WHEREAS**, the Fund's Executive Committee recommended the award of contracts to the below listed Professional Service Providers and service organizations based on a review of their; responses, experience and prior service provided at the rates established by the Fund Executive Committee; and,

**WHEREAS**, the FUND awarded contracts for a three year period for the 2015, 2016 and 2017 Fund years at its January 8, 2015 re-organization meeting (*unless otherwise specified*);

**NOW THEREFORE, BE IT RESOLVED** that the contracts for the following professionals be re-appointed for the third of the three year term (2015-2017) (*unless otherwise specified*):

**NOW, THEREFORE BE IT RESOLVED**, by the FUND's Governing Body that:

- I. PERMA Risk Management Services hereby appointed as **Administrator**, Mr. Stephen Sacco is appointed as **Executive Director**, Mr. Joseph Hrubash and Mr. David Grubb as **Deputy Executive Director**, and all as agents for process of services.
- II. Mr. William Garofalo is hereby appointed as **Fund Treasurer**.
- III. Wilmington Trust is hereby appointed as **Asset Manager** to the FUND. –At an annual fee of 5 basis points on market value of assets. Contract term 1/1/16- 12/31/18.
- IV. Mr. Robert Allison of Hutchins, Farrell, Meyer & Allison, P.A. is hereby appointed as **Fund Auditor**.
- V. Michael Avalone of Conner Strong and Buckelew is hereby appointed as **Risk Management Consultant** for the FUND.
- VI. Qual-Lynx is hereby appointed as the **Claims Service Organization** for the FUND to adjust all claims for current and prior Fund Years.

- VII. Consolidated Services Group, Inc. (CSG) is hereby appointed as the **Managed Care Provider for Workers Compensation Claims** in accordance with the negotiated fee schedule contained within the Professional Services Agreement.
- VIII. Mr. Dennis Henry of Actuarial Advantage is hereby appointed as **Actuary** for the FUND.
- IX. J.A. Montgomery Risk Control is hereby appointed to provide **Loss Control Services and Right To Know Training Services** to the FUND.
- X. Conner Strong & Buckelew is hereby appointed **Underwriting Manager** for the FUND.
- XI. Execu-Tech is hereby appointed as the **Web Site Development and hosting Manager** *Contract term to be one year (1/1/17– 12/31/17) at the same rate as 2016.*
- XII. Steven A. Zabarsky, Esq. of Citta, Holzapfel, & Zabarsky is hereby appointed as **Fund Attorney** and shall receive a retainer for administrative services, legal research and legal opinions. In addition,. Citta, Holzapfel, Zabarsky shall provide litigation management services. *Contract term to be one year (1/1/17 – 12/31/17)*

**BE IT FURTHER RESOLVED**, all Professional Service Providers and Service Organizations appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service contracts attached to this Resolution.

**BE IT FURTHER RESOLVED**, that in accordance with NJSA 19:44A-20.7, the decision of the Fund's Executive Committee that the procurement process utilized, constitutes a fair and open process, shall be final.

**BE IT FURTHER RESOLVED** that the professional service fee compensation for the professionals shall increase 2% for the period of January 1, 2017 through December 31, 2017 unless otherwise noted. Contracts will be provided for each respective professional addressing the increase in fees ; including increases/decreases for changes in membership.

**ADOPTED:** *this day by the Governing Body,*

**RESOLUTION NO: 3-17**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
(hereafter the "FUND")**

**ESTABLISHING PUBLIC MEETING PROCEDURES**

**WHEREAS**, the FUND must establish meeting procedures for Fund Year 2017, and

**NOW, THEREFORE BE IT RESOLVED**, by the Governing Body of the FUND that:

- I.** The Governing Body shall conduct Public Meetings at the Toms River Municipal Building, 33 Washington Street, Toms River, New Jersey 08754 to conduct the official business of the FUND on the **second Thursday of January, March, May, July, September, October, November, December** at **3:00 P.M.** for the 2017 Fund Year including January 12, 2017.
- II.** In addition, **the Ocean County Municipal Joint Insurance Fund Claims Committee** will meet on the Monday before the second Thursday of every month at 11 AM at the Conner Strong & Buckelew Office, Toms River, NJ.
- III.** Each Public Comments session is limited to thirty (30) minutes; any one person may address the Chairperson for a maximum of five (5) minutes; once a particular topic has been addressed by a member of the public, subsequent comments on that same topic by other people is limited to a maximum of two (2) minutes; citizens who have spoken once during the session will not be recognized a second time; and speakers are required to state their names and addresses.
- IV.** The following is hereby designated the official newspaper (s) of the Fund:

**THE ASBURY PARK PRESS**  
[www.NJMEL.org](http://www.NJMEL.org)  
**Fund Website – www.ocjif.org**

- V.** The FUND Secretary or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

**ADOPTED:** *this day by the Governing Body,*

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

**RESOLUTION NO: 4-17**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**  
(hereafter referred to as "THE FUND")

**ESTABLISHING A FISCAL MANAGEMENT PLAN**  
**FOR THE 2017 FUND YEAR**

**WHEREAS**, THE FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

**WHEREAS**, THE FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et.seq.) ; and

**NOW, THEREFORE BE IT RESOLVED**, THE FUND's Executive Committee that:

- I.** All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository (ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution, shall be required:

DIANE LAPP	CHAIRPERSON
PAUL SHIVES	SECRETARY
WILLIAM GAROFALO	TREASURER
CHARLENE CARNEY	COMMISSIONER

- II.** All funds for Claims payments shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution,

Ann L. Noble	Qual-Lynx
David S. Ruber	Qual-Lynx
Alic Lihou	Qual-Lynx
Joy DiPatri	Qual-Lynx
Janet Buggle	Qual-Lynx

FOR WIRE TRANSFERS - that the FUND does hereby require that Investors Bank obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.

- III.** The Cash and Investment Policy attached herewith, shall be adopted.

- IV. The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date for any such assessment with a grace period for the first (1st) assessment installment paid to be January 31, and the second (2nd) assessment installment paid to be July 31.
- V. Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.

**ADOPTED:** *this day before the Governing Body:*

## OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

### 2017 CASH MANAGEMENT AND INVESTMENT POLICY

#### 1.) Cash Management and Investment Objectives

The Ocean County Municipal Joint Insurance Fund (hereinafter referred to as the FUND) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h.) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the FUND's economic surplus.

#### 2.) Permissible Investments

Investments shall be limited to the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Government money market mutual funds.
- c.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- d.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- e.) Bonds or other obligations, approved by the Division of Investment of the Department of Treasury for investment by local units.

- f.) Debt obligations of federal agencies or government corporations with maturities not greater than ten (10) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through the New Jersey Division of Investment and are consistent the Division's own investment guidelines, and providing that the investment a fixed rate of interest not dependent on any index or external factors.
- g.) Local Government Investment Pools
- h.) Repurchase agreements of fully collateralized securities, subject to rules and conditions establish by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than ten (10) years from date of purchase. At any given time, the Fund's investment portfolio shall conform to the following criteria:

- a) Any bonds or other obligations held by the FUND shall have a minimum long-term investment grade underlying credit rating, or equivalent rating provided by a Nationally Recognized Statistical Rating Organization as outlined by the U.S. Securities and Exchange Commission, with the exception of bonds issued pursuant to the Municipal Qualified Bond Act, which may have an underlying credit rating below investment grade so long as the Municipal Qualified Enhanced Rating is investment grade, or equivalent rating provided by NRSO.
- b) A minimum of thirty-five (35) percent of aggregate total par amount of bonds and other obligations shall have a minimum long-term, underlying credit rating of AA-, or equivalent rating by an NRSRO.
- c) The aggregate par amount of bonds or other obligations with a long-term underlying credit rating below A-, or equivalent rating by an NRSRO, shall not exceed thirty (30) percent of the aggregate total par amount of bonds, investments and other obligations held by the Fund.
- d) The aggregate par amount of bonds or other obligations with maturities longer than five (5) years shall not exceed sixty (60) percent of the aggregate total par amount of bonds, investments and other obligations held by the FUND.

Any exception to or deviations from the above criteria must be approved by the New Jersey Division of Local Governmental Services and the New Jersey Division of Investment.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories are as follows:

Wells Fargo Bank  
Investors Bank  
Wilmington Trust

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include



confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-16.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

**RESOLUTION NO. 5-17**

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
(Hereinafter the "FUND")**

**ESTABLISHING A FUND RECORDS PROGRAM**

**WHEREAS:** The FUND must establish a formal record retention program for the 2017 Fund Year.

**NOW, THEREFORE BE IT RESOLVED,** by the FUND's Governing Body that:

- I.** Paul Shives, **Fund Secretary**, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive, Suite 216, Parsippany, NJ 07054.
- II.** Jason Thorpe, **Account Manager** for PERMA Risk Management Services is hereby designated as **Assistant Fund Secretary**.
- III.** The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.
- IV.** Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.

Records and files not required to support current operations, but which must otherwise be retained, shall be stored in the record retention facility, located at Route 80, Business Archives, 24 Beckwith Avenue, Paterson, New Jersey. The FUND's Executive Director shall coordinate the archive process and shall make sure that all records are properly indexed and accessible.

**ADOPTED:** *this day before the Governing Body*

**RESOLUTION NO. 6A-17**

**RESOLUTION OF THE OCEAN COUNTY MUNICIPAL  
JOINT INSURANCE FUND  
APPOINTMENT OF APPROVED PANEL OF ATTORNEYS TO DEFEND  
GENERAL LITIGATION CASES ON BEHALF OF THE FUND  
FOR  
FUND YEAR 2017**

**WHEREAS**, the Ocean County Municipal Joint Insurance Fund is constituted as a Municipal Self Insurance Fund and is subject to certain requirements of the Local Public Contracts Law; and

**WHEREAS**, the Executive Committee finds that it is necessary and appropriate to obtain the services of legal counsel to defend general litigation actions on behalf of the Ocean County Municipal Joint Insurance Fund; and

**WHEREAS**, the appointment of such professionals is required and necessary to meet the purposes of the Ocean County Municipal Joint Insurance Fund; and

**WHEREAS**, although the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., authorizes the award of contracts for "Professional Services" without competitive bids, the Ocean County Municipal Joint Insurance Fund published a request for proposals for professional service contracts in accordance with a competitive negotiation procedure which satisfies the requirements of a fair and open process under N.J.S.A. 19:44A:20.4 et seq.; and

**WHEREAS**, pursuant to the recommendation of the Fund Committee on Professional Services, the Ocean County Municipal Joint Insurance Fund has established as approved.

- 1) Cases assigned for a defense on or after January 1, 2017, \$145.00 per hour, plus actual out-of-pocket costs as approved by the Fund attorney;

**NOW, THEREFORE, BE IT RESOLVED** by the Executive Committee of the Ocean County Municipal Joint Insurance Fund assembled in a public session on January 12, 2017, that it does hereby establish and adopt as approved attorneys to handle general litigation on behalf of the Fund, at the established rate, the attorneys listed on the annexed Schedule A.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**

**SCHEDULE A  
LIST OF COUNSELORS  
OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND – GENERAL LITIGATION**

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RESOLUTION NO. 6B-17

RESOLUTION OF THE OCEAN COUNTY MUNICIPAL  
JOINT INSURANCE FUND  
APPOINTMENT OF APPROVED PANEL OF ATTORNEYS TO DEFEND  
WORKER'S COMPENSATION CASES ON BEHALF OF THE FUND  
FOR  
FUND YEAR 2017

**WHEREAS**, the Ocean County Municipal Joint Insurance Fund is constituted as a Municipal Self Insurance Fund and is subject to certain requirements of the Local Public Contracts Law; and

**WHEREAS**, the Executive Committee finds that it is necessary and appropriate to obtain the services of legal counsel to defend worker's compensation actions on behalf of the Ocean County Municipal Joint Insurance Fund; and

**WHEREAS**, the appointment of such professionals is required and necessary to meet the purposes of the Ocean County Municipal Joint Insurance Fund; and

**WHEREAS**, although the Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.*, authorizes the award of contracts for "Professional Services" without competitive bids, the Ocean County Municipal Joint Insurance Fund published a request for proposals for professional service contracts in accordance with a competitive negotiation procedure which satisfies the requirements of a fair and open process under N.J.S.A. 19:44A:20.4 *et seq.*; and

**WHEREAS**, pursuant to the recommendation of the Fund Committee on Professional Services, the Ocean County Municipal Joint Insurance Fund has established as approved attorney billing rates for worker's compensation litigation, the following schedule:

Cases assigned for a defense on or after January 1, 2017, shall be paid on a fee of \$700.00 flat rate through the first day of trial, and \$125.00 per hour for any trial, plus actual out-of-pocket costs, approved by the Fund.

**NOW, THEREFORE, BE IT RESOLVED** by the Executive Committee of the Ocean County Municipal Joint Insurance Fund assembled in a public session on January 12, 2017, that it does hereby establish and adopt as approved attorneys to handle worker's compensation litigation on behalf of the Fund, at the established rate, the attorneys listed on the annexed Schedule A.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND



**SCHEDULE A  
LIST OF COUNSELORS  
OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND – WORKER’S  
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**RESOLUTION NO. 6C-17**

**RESOLUTION OF THE OCEAN COUNTY MUNICIPAL  
JOINT INSURANCE FUND  
APPOINTMENT OF APPROVED ATTORNEY TO LITIGATE  
SUBROGATION CASES ON BEHALF OF THE FUND  
FOR  
FUND YEAR 2017**

**WHEREAS**, the Ocean County Municipal Joint Insurance Fund is constituted as a Municipal Self Insurance Fund and is subject to certain requirements of the Local Public Contracts Law; and

**WHEREAS**, the Executive Committee finds that it is necessary and appropriate to obtain the services of legal counsel to litigate subrogation cases on behalf of the Ocean County Municipal Joint Insurance Fund; and

**WHEREAS**, the appointment of such a professional is required and necessary to meet the purposes of the Ocean County Municipal Joint Insurance Fund; and

**WHEREAS**, although the Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.*, authorizes the award of contracts for "Professional Services" without competitive bids, the Ocean County Municipal Joint Insurance Fund published a request for proposals for professional service contracts in accordance with a competitive negotiation procedure which satisfies the requirements of a fair and open process under N.J.S.A. 19:44A:20.4 *et seq.*; and

**WHEREAS**, pursuant to the recommendation of the Fund Committee on Professional Services, the Ocean County Municipal Joint Insurance Fund has established as approved attorney billing rates for litigating subrogation cases, the following schedule:

Cases assigned for a defense will be compensated at one-third (1/3) of the actual recovery amount, plus actual out-of-pocket costs as approved by the Fund attorney.

**NOW, THEREFORE, BE IT RESOLVED** by the Executive Committee of the Ocean County Municipal Joint Insurance Fund assembled in a public session on January 12, 2017 that it does hereby establish and adopt as an approved attorney to litigate subrogation on behalf of the Fund, at the established rate, James J. Gluck, Esq., Gluck & Allen, LLC, 217 Washington Street, Toms River, New Jersey 08753.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**

**RESOLUTION NO. 07-17**  
**Ocean County Municipal Joint Insurance Fund**

**(hereinafter the "Fund")**

**ESTABLISHING THE 2017 PLAN OF RISK MANAGEMENT**

**BE IT RESOLVED** by the Fund's governing body that the **2017** Plan of Risk Management shall be:

- 1.) **The perils or liability to be insured against.**
  - a.) The Fund insures the following perils or liability:
    - **Workers' Compensation** including Employer's Liability, USL&H and Harbor Marine/Jones Act.
    - **General Liability** including Police Professional Liability, Employee Benefits Liability, Quasi Municipal Organization Liability, Garage Keeper's Liability, Failure to Supply (water and electricity), Riot, Civil Commotion or Mob Action, Good Samaritan, Disinfecting Agents Release Hazard, and Skateboard Facility.
    - **Automobile Liability** including PIP and uninsured/Underinsured Motorists Coverage.
    - **Blanket Crime** including public employee dishonesty; forgery or alteration; theft, disappearance and destruction; robbery and safe burglary; and computer fraud with funds transfer. Excludes Statutory Positions.
    - **Property** including Boiler and Machinery
    - **Public Officials and Employment Practices Liability**
    - **Volunteer Directors & Officers Liability**
    - **Cyber Liability**
  - b.) The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL).
    - **Excess Workers' Compensation**
    - **Excess General Liability**

- **Non-Owned Aircraft Liability**
- **Excess Auto Liability**
- **Optional Excess Public Officials & Employments Practices Liability**
- **Optional Excess Liability**
- **Excess Property including Boiler and Machinery**
- **Crime** including (1) **excess public employee coverage**, (2) **excess public officials coverage** where the Statutory Positions coverage is insured commercially for primary coverage and (3) coverage for **Statutory Positions** insured on a primary basis with MEL (where approved).
- c.) **Environmental Impairment Liability** Coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund (i.e. E-JIF.)

2.) **The limits of coverage.**

- a.) **Workers' Compensation** limits.
  - The Fund covers \$300,000 CSL.
  - The MEL covers excess claims to the following limits.
    - Workers' Compensation - statutory
    - Employer's Liability - \$6,700,000 in excess of the Fund's \$300,000
    - USL&H – Included in workers Compensation
    - Harbor Marine/Jones Act - Included in employers liability
    - Incidental Foreign Workers Compensation - included
    - Communicable Disease Coverage - included
- b.) **General Liability** limits.
  - The Fund covers \$300,000 CSL.
  - The MEL covers excess liability claims as follows:

- General Liability - \$4,700,000 CSL excess the Fund's \$300,000. The \$3,250,000 excess \$1,750,000 layer is subject to a \$3,250,000 per member local unit annual aggregate limit.
- Police Professional - included in the MEL's excess General Liability limits.
- Employee Benefits Liability - included in the MEL's excess General Liability limits.
- Good Samaritan Liability - included in the MEL's excess General Liability limits.
- Quasi Municipal Organization Liability. (Non-profit organizations included by a member local unit in the town's insurance program.)
  - Emergency Service Units and Auxiliaries - included in the MEL's excess General Liability limits.
  - Other - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess \$1,750,000 layer is included in the MEL's excess General Liability \$3,250,000 excess \$1,750,000 per member local unit annual aggregate limit.
- Garage Keeper's Liability - \$1,700,000 CSL excess of the Fund's \$300,000. The \$250,000 layer excess of \$1,750,000 is included in the MEL's excess General Liability \$3,250,000 excess \$1,750,000 per member local unit annual aggregate limit.
- Failure to Supply Liability - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess of the \$1,750,000 layer is included in the MEL's General Liability \$3,250,000 excess of \$1,750,000 per member local unit annual aggregate limit.
- Riot, Civil Commotion or Mob Action - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess of the \$1,750,000 layer is included in the MEL's General Liability \$3,250,000 excess of \$1,750,000 per member local unit annual aggregate limit.
- Dams (Class III and IV – Low Hazard) - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess of the \$1,750,000 layer is included in the MEL's General Liability \$3,250,000 excess of \$1,750,000 per member local unit annual aggregate limit.

- Dams (Class I and II – High Hazard) - \$700,000 CSL excess of the Fund's \$300,000.
- Subsidence Property Damage Liability- \$3,450,000 CSL excess of the Fund's \$300,000. The \$2,000,000 layer excess of \$1,750,000 layer is included in the MEL's General Liability and is subject to a \$2,000,000 “all members” annual aggregate limit excess of the \$1,750,000 each occurrence. There is no bodily injury liability sub-limit for subsidence.
- Sewer Back Up - \$3,450,000 CSL excess of the Fund's \$300,000. The \$2,000,000 layer excess of \$1,750,000 layer is included in the MEL's General Liability and is subject to a \$2,000,000 “all members” annual aggregate limit excess of the \$1,750,000 each occurrence. There is no bodily injury liability sub-limit for sewer back-up.
- Disinfecting Agents Release Hazard - \$700,000 CSL excess of the Fund's \$300,000.
- Skateboard Facilities - \$4,700,000 CSL excess of the Fund's \$300,000. The \$3,250,000 excess of the \$1,750,000 layer is included in the MEL's General Liability \$3,250,000 excess of the \$1,750,000 each occurrence. (Requires Fund approval)

c.) **Automobile Liability** limits.

- The Fund covers \$300,000 CSL for Bodily Injury Liability, Property Damage Liability and PIP.
- The Fund covers \$15,000/\$30,000/\$5,000 for Underinsured/Uninsured Motorists Liability.
- The MEL covers Automobile Bodily Injury and Property Damage Liability claims excess of the Fund's \$300,000 CSL limit in the MEL's excess General Liability limit except that Automobile Liability claims which penetrate the excess of \$1,700,000 layer are not subject to the aggregate limitation.
- The JIF provides PIP limits of \$250,000.
- The MEL does not provide excess PIP or Uninsured/Underinsured Motorist Coverage.

d.) **Non-Owned Aircraft.** The MEL covers \$5,000,000 CSL for Bodily Injury and Property Damage Liability, and \$5,000 medical expense for each passenger.

e.) **Public Officials Liability. (POL)**

- The JIF, 100% commercially insured with QBE Specialty Insurance Company, covers \$2,000,000 in the aggregate on a claims made basis per member municipality for each Fund year subject to a deductible and coinsurance as outlined below. There is a combined POL/EPL \$2,000,000 per member local unit annual aggregate.
- \$20,000 deductible per occurrence, except that a \$75,000 deductible per occurrence applies for member local units with unfavorable loss experience.
- 20% coinsurance of the first \$250,000 of the loss

**NOTE:** Member local units that qualify based on certain criteria to have options to purchase a lower deductible and coinsurance contribution. New members with adverse loss experience may be subject to higher deductible and coinsurance as provided by QBE Specialty Insurance Company.

f.) **Employment Practices Liability (EPL)**

- The JIF, 100% commercially insured with QBE Specialty Insurance Company, covers \$2,000,000 in the aggregate on a claims made basis per member municipality for each Fund year subject to a deductible and coinsurance as outlined below. There is a combined POL/EPL \$2,000,000 per member local unit annual aggregate.
- For member local units with approved EPL Loss Control/Risk Management Programs:
  - \$20,000 deductible per occurrence, except that a \$75,000 deductible per occurrence applies for member local units with unfavorable loss experience.
  - 20% coinsurance of the first \$250,000 of the loss
- For member local units without approved EPL Loss Control/Risk Management Programs:
  - \$100,000 deductible per occurrence, except that a \$150,000 deductible per occurrence applies for member local units with unfavorable loss experience.



- 20% coinsurance (no cap) 1<sup>st</sup> \$2 million (not imposed against optional limits).

**NOTE:** Member local units that qualify based on certain criteria have options to purchase a lower deductible and coinsurance contribution. New members with adverse loss experience may be subject to higher deductible and coinsurance as provided by QBE Specialty Insurance Company.

g.) **Optional Directors and Officers Liability (D & O) - Fire Companies and Emergency Service Units.**

- The JIF, 100% commercially insured with QBE Specialty Insurance Company, provides optional \$1 million or \$2 million annual aggregate limits for Fire Companies or Emergency Service Units subject to optional deductibles of \$1,000, \$2,000 or a \$5,000 deductible.

h.) **Property** (effective 12:01 A.M. December 31, 2016) –

The Fund covers \$100,000 per occurrence (Property & Time Element combined) less applicable member deductibles:

- Flood for locations wholly or partially within 100-year flood zone
- Boiler and Machinery
- Named Storm (Flood & Wind)

The MEL retains and provides excess property coverage at limits of \$400,000 excess \$100,000 per occurrence (Property & Time Element combined) except for the following:

- Flood for locations wholly or partially within 100-year flood zone
- Boiler and Machinery
- Named Storm(Flood & Wind)

The MEL serves as the lead agency for the purchase of additional excess property at the following MEL statewide limits and sub-limits:

\$125,000,000	Per Occurrence – Property Damage and Time Element Combined
\$100,000,000	Aggregate – Earth Movement

\$100,000,000	Aggregate – Flood (includes Storm Surge)
Included	Named Storm
\$10,000,000	Extra Expense
\$750,000	Tenant Relocation Expenses
\$15,000,000	Leasehold Interest
\$15,000,000	Loss of Rents
\$1,000,000	Wind Turbine
Excluded	Power Generating Utilities
\$2,500,000	Computer Systems Damage
Excluded	Contingent Time Element
\$25,000,000	Debris Removal
\$2,500,000	Fine Arts
\$250,000	Fire Department Service Charge
\$250,000	Aggregate – Land and Water Contaminant Cleanup, Removal and Disposal
Excluded	Land Improvements
\$10,000,000	Miscellaneous Personal Property, Outdoor Property
\$10,000,000	Miscellaneous Unnamed Location
\$10,000,000	Off Premises Service Interruption (excludes Utilities)
\$50,000	Asbestos Removal
\$1,000,000	Transit
\$10,000,000	Valuable Papers and Records
\$25,000,000	New Construction and Additions

\$5,000,000	Soft Costs
\$1,000,000	Watercraft (Property Damage Only)
\$15,000,000	Vehicles
\$10,000,000	Bridges and Dams
\$10,000,000	Piers, Wharfs, Docks, Boardwalks and Bulkheads
\$10,000,000	Transmission and Distribution Lines <i>1 mile radius for overhead transmission</i> <i>5 mile radius for underground transmission</i>
\$1,000,000	Clogging/Blocking of Pipes
Included	Equipment Breakdown
\$5,000,000	Equipment Breakdown – Ammonia Contamination
\$5,000,000	Equipment Breakdown – Spoilage
Excluded	Earth Movement – Zones 1 and 2
\$2,500,000	Per Location – Flood, Special Flood Hazard Area (SFHA) and Pumping Stations
\$1,000,000	Per Occurrence – Flood, Outside Building or Structure
Excluded	Flood – Buildings on Pilings, Special Flood Hazard Area (SFHA) Zones V, VE and V1- 30
Excluded	Named Storm – Zones 1 and 2

365 Days	Extended Period of Liability
90 Days	Newly Acquired Property
168 Hours	Earth Movement
120 Hours	Named Storm
Included	Terrorism/TRIA

• **Deductibles**

\$500,000	Per Occurrence (Property Damage & Time Element)
\$50,000	Equipment Breakdown (Property Damage)
\$50,000	Equipment Breakdown (Time Element)
\$500,000	Flood, SFHA – Buildings
\$500,000	Flood, SFHA – Time Element
\$500,000	Flood, SFHA – Contents
\$250,000	Flood, SFHA – Housing Authority/Non-Profit Buildings
\$100,000	Flood, SFHA – Housing Authority/Non-Profit Contents
\$100,000	Flood, SFHA – Housing Authority/Non-Profit Time Element
\$500,000	Pumping Stations, Lift Stations, Wet Wells, Pistol Ranges, Vehicles and Mobile Equipment, and all property located outside building or structure, but not defined as Outdoor Property (Property Damage)
\$500,000	Pumping Stations, Lift Stations, Wet Wells, Pistol Ranges, Vehicles and Mobile Equipment, and all property located outside building or structure, but not defined as Outdoor Property (Time Element)
1%	Named Storm: Covered Property in Atlantic, Ocean, Monmouth and Burlington Counties East of the Garden State Parkway and all Covered Property in Cape May (Property Damage)
1%	Named Storm: Covered Property in Atlantic, Ocean, Monmouth and Burlington Counties East of the Garden State Parkway and all Covered Property in Cape May (Time Element)
\$500,000	Named Storm – Minimum, Per Location (Property Damage & Time Element) Covered Property in Atlantic, Ocean, Monmouth and Burlington Counties East of the Garden State Parkway and all Covered Property in Cape May
\$1,000,000	Named Storm – Maximum, Per Occurrence (Property Damage & Time Element) Covered Property in Atlantic, Ocean, Monmouth and Burlington Counties East of the Garden State Parkway and all Covered Property in Cape May

- **Other Special Provisions**

- **Cape May Convention Center**

- The policy insures direct physical loss or damage caused by a Covered Cause of Loss at the Cape May Convention Center.

- **Ocean City Music Pier**

- The policy insures direct physical loss or damage caused by a Covered Cause of Loss at the Ocean City Music Pier.

- **Bridges & Dams**

- Bridges and dams attached to an insured location, and the relating equipment, are covered, except for Flood, Earthquake and Named Storm.

- **Piers, Wharfs, Docks, Bulkheads and Boardwalks**

- All are covered, including any crossovers, floating docks and the buildings/structures thereon against the perils of fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, watercraft and malicious intent.

- **Utilities**

- The following are covered:
  - Transmission and distribution lines situated beyond 1 mile radius of insured location for above ground transmission.
  - Transmission and distribution lines situated beyond 5 mile radius of insured location for below ground transmission.

- **Outdoor Property**

- Outdoor Property means Covered Property not at an Insured Location and:
  - Outside a permanent building, or not wholly enclosed by walls and a roof; or
  - Inside a moveable container located outside a permanent building.

- Covered for the perils of fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, watercraft and malicious intent.

### **Retaining Structures**

- Retaining structures are only covered if attached to a scheduled location.
- Covered for all perils covered by the policy.

### **Underground Piping**

- Excludes:
  - Underground piping beyond a 1,000 foot radius of a pump station, process plant, metering pit, well or similar operational location, which is owned, leased, used, occupied or intended for use by the member entity;
  - Underground Storage Tanks and associated systems including piping;
  - Underground electric, data voice, digital, fiber optic or similar cable beyond a 1,000 foot radius of an insured location owned by the member entity; and
  - Underground gas pipelines.

### **Vacant and Historic Property**

- Vacant Buildings:
  - Vacant Building: A building containing nothing; being without contents or occupants.
  - Except as noted below, the JIF will only provide “Named Perils” coverage on an “Actual Cash Value” basis for any vacant building.
  - The Underwriting Manager may provide “Replacement Cost” valuation with “All-Risk” coverage for any vacant building after the completion of a satisfactory inspection by

the Underwriting Manager's office and/or the insurers to verify building condition, security of the building, and status of utilities.

- Historic Property:
  - Historic Property: Any property appearing in the local register of Historic Places, National Historic Landmarks Program, or National Register of Historic Places.
  - Cost to replace, repair or restore using the same materials, workmanship and architectural features and details that existed before such loss provided they are available. If any materials or workmanship needed to replace, repair or restore a building or structure are not available, the cost to use materials and/or workmanship that will permit the replacement, repair or restoration of the building to a condition that most closely resembles the condition which existed immediately before the loss occurred will be utilized.
  - If there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a historic building (such as a Historic Preservation Act or other similar regulation), if that ordinance or law affects the repair or rebuilding of the historic building, and if you:
    - ✓ Repair or rebuild the building or structure as soon as reasonably possible, then you will receive Replacement Cost valuation on the damaged and undamaged portions of the building, the cost to demolish and clear the site of the undamaged portion of the building, and the increased cost to repair or rebuild the building to the same general size in accordance with the minimum standards of such ordinance or law;

- ✓ Do not repair, rebuild or replace the building or structure, then you will receive Actual Cash Value valuation on the damaged and undamaged portions of the building, plus the cost to demolish and clear the site of the undamaged portion of the building.
  - With respect to properties that qualify for "National Historic Landmark" status, the Insured shall have the sole discretion as to the means by which said property shall be repaired, rebuilt or replaced, but not to exceed the actual costs which would have been incurred in order to comply with "National Historic Landmark" status requirements.
  
- i.) **Blanket Crime** - The JIF provides a limit of \$50,000 less the member entity deductible of \$2,500. Coverage includes Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction, Robbery and Safe Burglary, Computer Fraud with Funds Transfer. The MEL provides it's member JIF's **excess public employees coverage** at limits of \$1,000,000 less the member JIF's retention of \$50,000 for Public Employee Dishonesty.
  
- j.) **Excess Public Officials Crime Coverage** - The MEL provides excess employee dishonesty for those employed positions which are required by law to be individually bonded and where they have not applied and have not been approved for coverage under the MELJIF Statutory Position Program at a limit of \$1,000,000 less a member local units' deductible which is the higher of the following:
  - 1) The amount said persons are required by Law to be individually bonded whether or not such individual Bond is in place, or
  - 2) The amount of the individual Bond in place.

**Each member local unit that has not applied for coverage under the MELJIF Statutory Position Bond is required to continue to purchase via the commercial market individual bonds providing primary coverage up to "at least the minimum limit required by law" for those employed positions required by law to be individually bonded.**
  
- k.) **Crime Statutory Position Coverage** - The MEL provides employee dishonesty and faithful performance coverage for those employed positions which are required by law to be individually bonded and where they have



applied and have been approved for coverage at a limit of \$1,000,000 per occurrence per position less a member local units' deductible of \$1,000.

- l.) **Optional Excess Liability** - The MEL offers Optional Excess General Liability, including Police Professional Liability, Employee Benefits Liability, Quasi Municipal Organization Liability (Emergency Service Units and Auxiliaries only), and Automobile Liability (not including PIP or Underinsured/Uninsured Motorist Coverage) as follows:
  - o \$2 million CSL and per member local unit annual aggregate excess of \$5 million (auto liability not aggregated).
  - o \$5 million CSL and per member local unit annual aggregate excess of \$5 million (auto liability not aggregated).
  - o \$5 million CSL and per member local unit annual aggregate excess of \$10 million (auto liability not aggregated).
  - o \$10 million CSL and per member local unit annual aggregate excess of \$10 million (auto liability not aggregated).
  
- m.) **Optional Excess POL/EPL** – The MEL offers optional excess POL/EPL as follows:
  - o \$1 million CSL and per member local unit annual aggregate excess of \$2 million
  - o \$2 million CSL and per member local unit annual aggregate excess of \$2 million
  - o \$3 million CSL and per member local unit annual aggregate excess of \$2 million
  - o \$4 million CSL and per member local unit annual aggregate excess of \$2 million
  - o \$4 million CSL and per member local unit annual aggregate excess of \$6 million
  
- n.) **Environmental Impairment Liability** - The limits of liability as established in the E-JIF's Plan of Risk Management and coverage documents.
  
- o.) **Cyber Liability** – The JIF, 100% commercially insured with XL Insurance, provides Third Party coverage including Media Communication, Network Security Liability and Privacy Liability and First Party coverage including Extortion Threat, Crisis Management Expenses and Privacy Notification Costs. The JIF limits of liability are \$3,000,000 each/\$6,000,000 policy aggregate. The limits are JIF wide and shared amongst member local units of the JIF. There is a \$1,000,000 sub-limit each for (1) Privacy Notification Costs, (2) Regulatory Fines/Claims Expenses for Privacy Liability, (3) Extortion Damages for Extortion Threat and (4) Crisis Management Expenses. There is a \$10,000 policy deductible. There is a \$3,000,000 sub-limit each for (1) Privacy

Notification Costs, (2) Regulatory Fines/Claims Expenses for Privacy Liability, (3) Extortion Damages for Extortion Threat and (4) Crisis Management Expenses.

**Optional Individual Self-Insured Retentions – Seaside Heights has an individual deductible of \$10,000 for police professional liability.**

**NOTICE: The above description is a general discussion of the coverage and limits provided by the FUND. However, the actual terms and conditions are defined in the policy documents and all issues shall be decided on the policy documents.**

3.) **The amount of risk to be retained by the Fund.**

- a.) Workers' Compensation (all coverages) - \$300,000 CSL
- b.) General Liability (all coverages) - \$300,000 CSL
- c.) Employment Practices Liability – none 100% commercially insured with QBE Specialty Insurance Company.
- d.) Non-Owned Aircraft - none
- e.) Automobile Liability
  - o PD & BI - \$300,000 CSL
  - o Underinsured/Uninsured - \$15,000/\$30,000 CSL
  - o PIP - \$250,000 CSL
- f.) Public Officials Liability – none 100% commercially insured with QBE Specialty Insurance Company.
- g.) Optional Directors and Officials Liability – none 100% commercially insured with QBE Specialty Insurance Company.
- h.) Property - \$100,000 per occurrence less member deductibles.
- i.) JIF Blanket Crime - \$50,000 less member deductible
- j.) Optional Excess Liability – none provided by MEL
- k.) Environmental Impairment Liability - none other than the risk of a E-JIF assessment.
- l.) Residual Claims Liability - none other than the risk of a RCF assessment.

- m.) MEL Crime Policy – none provided by MEL
- n.) Optional Excess POL/EPL – none provided by MEL
- o.) Cyber Liability – none 100% commercially insured with XL Insurance

4.) **The amount of unpaid claims to be established.**

- a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Fund expects the claims servicing company to set reserves at 85% accuracy. The Fund also establishes reserves recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the Fund has adequate reserves to pay all claims and allocated loss adjusted expense liability.
- b.) Claims reserves are subject to regular review by the Fund's Executive Director/Administrator, Attorney, Executive Committee and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Fund.

5.) **The method of assessing contributions to be paid by each member of the Fund.**

- a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Fund year by line of coverage and for each prior Fund year. The actuary includes all budget items in these computations. The annual assessment of each participating municipality is its pro rata share of the probable net cost of the upcoming Fund year for each line of coverage as computed by the actuary.
- b.) The calculation of pro rata shares is based on each municipality's experience modified manual premium for that line of coverage. The Fund's governing body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Fund wide average increase plus a percentage selected by the governing body. The total amount of each member's annual assessment is certified by majority vote of the Fund's governing body at least one (1) month prior to the beginning of the next fiscal year.
- c.) The treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust fund account by Fund year for each type of coverage in which the member participates.

- d.) If a local unit becomes a member of the Fund or elects to participate in a line of coverage after the start of the Fund year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
  - e.) The Fund's governing body may by majority vote levy upon the participating municipalities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. All supplemental assessments are charged to the participating municipalities by applicable Fund year, and shall be apportioned by the year's assessments for that line of coverage.
  - f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Fund fail to assess funds required to meet its obligations, the chairman or in the event by his or her failure to do so, the custodian of the Fund's assets, shall notify the Commissioner of Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Fund's governing body.
- 6.) **Procedures governing loss adjustment and legal expenses.**
- a.) The Fund engages a claims service company to handle all claims, except for the JIF's POL/EPL, insurance which is handled by Summit Risk Services representing XL Insurance and QBE Specialty Insurance Company for EPL/POL. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Fund attorney, the MEL's attorney's office, as well as the claims department of the MEL's three major liability insurers/re-insurers [i.e. General Re and Munich Re for excess liability, and Safety National for workers' compensation]. Every three years, the MEL's internal auditors also conduct an audit.
  - b.) Each member local unit is provided with a claims reporting procedure and appropriate forms.
  - c.) In order to control workers' compensation medical costs, the Fund has engaged a managed care organization (MCO) whose procedures are integrated into the Fund's claims process.
  - d.) To provide for quality defense and control costs, the Fund has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Fund attorney, as well as the various firms which audit the claims adjusters.
- 7.) **Coverage to be purchased from a commercial insurer, if any.**

The Fund does purchases commercial insurance for the POL/EPL, Volunteer D&O, and Cyber Liability coverage which is purchased from XL Insurance and QBE Specialty Insurance Company.

8.) **Reinsurance to be purchased.**

The Fund does not purchase reinsurance.

9.) **Procedures for the closure of Fund years, including the maintenance of all relevant accounting records.**

- a.) The Fund utilizes the Municipal Excess Liability Residual Claims Fund (RCF) to facilitate the closure of Fund years.
- b.) Upon the transfer of outstanding liabilities of a Fund year to the RCF, the Fund adopts a resolution closing that year and transfers all remaining assets to the closed Fund year account. This amount is allocated by member local units using the same procedure as is used to calculate a dividend. Each month, interest is credited to the closed Fund year account by member.
- c.) Each year, the Fund's governing body will determine if a dividend is appropriate from the closed Fund year account, and will make application to the Department of Insurance as appropriate. Further, in the event an open Fund year incurs a deficit, the Fund's governing body will consider an inter-year transfer from the closed Fund year account to offset the deficit. In either case, the dividend or inter-Fund year transfer will be calculated on a member by member basis.
- d.) In the event a member leaves the Fund, the Fund's governing body may assess the member's closed Fund Year account an amount not exceeding three (3) years stranded costs that the Fund incurs as a result of the member's withdraw. Stranded costs are those expenses incurred by the Fund that would otherwise have been paid from the withdrawing member's assessments had the member remained in the Fund. A member may apply to the Fund's governing body for a return of that member's remaining share of the closed Fund year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Fund's governing body will decide on the former member's request after evaluating the likelihood of any additional assessments from the RCF.
- e.) All dividends from the RCF will be deposited in the closed Fund year account on a member by member basis.
- f.) The Fund will retain all records in accordance with the Fund's record retention program.

10.) **Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.**

- a.) The general approach in estimating the loss reserves of the Fund is to project ultimate losses for each Fund year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Fund Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or funding requirement.
- b.) The following is an overview of the two actuarial methods used to project the ultimate losses.
  - o Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
  - o Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

11.) **The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.**

- \$10,000 for General and automobile liability
- \$10,000 for workers compensation
- With the advance approval of the Fund Attorney, the certifying and approving officer may also pay provider bills if waiting until after the next regularly scheduled FUND meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.
- \$50,000 Emergency Court House Authority upon the joint authorization of the Fund Attorney and Executive Director. Whenever this procedure is used, the claim shall be reported to the Commissioners at their next meeting.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**

**RESOLUTION NO. 8-17**

**RESOLUTION AUTHROIZING THE OCEAN COUNTY MUNICIPAL JOINT  
INSURANCE FUND'S PARTICIPATION IN THE NEW JERSEY MUNICIPAL EXCESS  
LIABILITY JOINT INSURANCE  
NAMED STORM DEDUCTILBE RISK SHARING PROGRAM**

**Whereas**, the Ocean County Municipal Joint Insurance Fund (hereinafter the “OCMJIF”) is a member the of the Municipal Excess Liability Joint Insurance Fund (hereinafter the “MEL”)

**Whereas**, the MEL provides excess property coverage underwritten by Zurich Insurance Company to various member Joint Insurance Funds; and

**Whereas**, as respects loss or damage caused by or resulting from a “Named Storm”, any covered property in Atlantic, Ocean, Monmouth, and Burlington Counties located east of the Garden State Parkway, and any covered property in Cape May County is subject to a Property Damage deductible of 1% of the value per the Schedule of Values for the “Location” where the direct physical loss or damage occurred, per “occurrence”; and

**Whereas**, as respects loss or damage caused by or resulting from a “Named Storm”, any covered property in Atlantic, Ocean, Monmouth, and Burlington Counties located east of the Garden State Parkway, and any covered property in Cape May County is subject to a Time Element deductible of 1% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the “Occurrence” by use of the facilities at the “Location” where the direct physical loss or damage occurred and all other “Locations” where Time Element loss ensues, per “occurrence”; and

**Whereas**, the above deductibles (hereinafter the “NAMED STORM DEDUCTIBLE RISK SHARING PROGRAM”) are subject to a minimum deductible of \$500,000 for Property Damage and Time Element, combined, per Location, and a maximum deductible of \$1,000,000 per occurrence; and

**Whereas**, for purposes of this resolution, a “Named Storm” means: Any storm or weather disturbance that is named by the U.S. National Oceanic and Atmospheric Administration (NOAA) or the U.S. National Weather Service or the National Hurricane Center or any comparable worldwide equivalent; and

**Whereas**, a “Named Storm” also includes “Storm Surge”; and

**Whereas**, for purposes of this resolution, covered property shall not include vehicles; and

**Whereas**, the Atlantic, Burlington, Central, FIRST, Mid Jersey, Monmouth, NJPHA, and Ocean JIFs have members subject to this deductible; and

**Whereas**, the Board of Fund Commissioners of the OCMJIF recognizes that its members could bear a financial hardship in event of a “Named Storm” as a result of this deductible; and

**Whereas**, the MEL has agreed to act as a lead agency to administer an agreement between member JIFs subject to this deductible.



**Now, Therefore Be It Resolved** that the Board of Fund Commissioners of the OCMJIF resolve to enter into an agreement with other members JIFs subject to the NAMED STORM DEDUCTIBLE RISK SHARING PROGRAM subject to the following provisions:

1. In the event of a covered loss subject to the NAMED STORM DEDUCTIBLE RISK SHARING PROGRAM, the JIFs that are parties to this agreement shall contribute to the total amount of the deductible pro rata based on each JIFs reported values for all properties subject to the NAMED STORM DEDUCTIBLE RISK SHARING PROGRAM. The reported values for all properties subject to the NAMED STORM DEDUCTIBLE RISK SHARING PROGRAM will be established in May of each year; and
2. The first \$5,000 of loss from each member location shall not be subject to this sharing provision; and
3. This sharing provision shall be subject to only insured property at insured locations; and
4. To be eligible for reimbursement under this agreement, the member shall file a claim with FEMA, including any National Flood Insurance Program policies, and the reimbursement under this agreement shall be reduced by the amount of such reimbursement.

**Be it further resolved** that a copy of this Resolution be provided to the OCMJIF Executive Director's office, the OCMJIF Underwriter, the MEL Executive Director, the MEL Underwriting Office.

This Resolution was duly adopted by the Ocean County Municipal Joint Insurance Fund at a public meeting held on January 12, 2017.

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND**



			<b>10,307.34</b>
<b>001185</b>			
001185	PERMA	EXECUTIVE DIRECTOR FEE 01/2017	24,489.00
			<b>24,489.00</b>
<b>001186</b>			
001186	WILLIAM GAROFALO	TREASURER FEE 01/2017	2,922.33
			<b>2,922.33</b>
<b>001187</b>			
001187	MUNICIPAL EXCESS LIABILITY JIF	MSI 1ST QTR 2017	23,744.71
			<b>23,744.71</b>
<b>001188</b>			
001188	CONNER STRONG & BUCKELEW	AUTOMOBILE ID CARDS - 2017	153.82
			<b>153.82</b>
<b>001189</b>			
001189	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 01/2017	961.92
			<b>961.92</b>
<b>001190</b>			
001190	CONNER STRONG & BUCKELEW	RMC FEE 1ST QTR 2017	152,992.00
			<b>152,992.00</b>
		Total Payments FY 2017	1,324,008.62

**TOTAL PAYMENTS ALL FUND YEARS \$ 1,342,414.30**