

**NEW JERSEY CYBER RISK MANAGEMENT
OPEN MINUTES
October 19, 2023
VIA TELECONFERENCE – 2:00 PM**

Chairman Tom Merchel called the meeting to order, read the statement of compliance open public meeting act and led the pledge of allegiance.

ROLL CALL OF 2023 FUND COMMISSIONERS

Tom Merchel, Chair	PMM JIF - Township of Moorestown	Present
Joy Tozzi, Secretary	Mid-Jersey JIF - Township of Robbinsville	Present
Megan Champney	Suburban Municipal JIF - City of Summit	Present
Steve Rovell	Suburban Metro JIF - Belleville Twp.	Present
Jim Gant	Monmouth JIF - Sea Girt Borough	Present
Joseph Wolk	Camden JIF - Borough of Mount Ephraim	Present
Bernard Rutkowski	NJUA JIF - Toms River MUA	Present
Marc Schrieks	South Bergen JIF - Lodi Borough	Present
Lisa McLaughlin	Atlantic JIF - Margate City	Absent
Paul Tomasko	Bergen JIF - Borough of Alpine	Present
Meghan Jack	Burlco JIF - Riverside Twp	Present
Casey Wagner	Central JIF - Woodbridge	Absent
Joe Criscuolo	Central JIF Alternate – East Brunswick	Present
Chris Burnett	FIRST JIF - Mt. Laurel Twp. Fire Dist. #1	Present
Adam Brewer	Morris JIF - Pequannock Township	Present
Diane Lapp	Ocean JIF - Manchester Twp	Absent
Matthew von der Hayden	Ocean JIF -	Present
Frank Elenio	PAIC JIF - Ridgefield Borough	Present
John Clarke	PHA JIF - New Brunswick Housing Authority	Present
James Ulrich	NJSI JIF - Clark Township	Present
Michael Razze	Trico JIF - Pitman Borough	Present

PROFESSIONALS PRESENT:

Executive Director/Adm	PERMA Risk Management Services Joseph Hrubash, Cathleen Kiernan
Deputy Executive Director	Risk Program Administrators Kamini Patel
Claims Adjustor	CB Claims LLC Chris Botta, Esq.
Chief Financial Officer	PERMA Risk Management Services Pauline Kontomanolis, CPA
Attorney	Dorsey & Semrau Sue Sharpe, Esq., Fred Semrau, Esq.

Underwriting Manager Conner Strong & Buckelew
 Ed Cooney

Treasurer **Charles Cuccia**

ALSO PRESENT:

James Brady, Mid-Jersey JIF, East Windsor Twp.
Sean Canning, The Canning Group
Jamie Shooks, The Actuarial Advantage
Kyle Fisher, Dorsey & Semrau
Alison Kelly, Danskin Insurance Agency
John Casagrande, Danskin Insurance Agency
Chuck Casagrande, Danskin Insurance Agency
Chuck Hartsoe, PEGAS
Brian Lau, D2 Cybersecurity
John Bomba, D2 Cybersecurity
Suby Gupta, D2 Cybersecurity
Don Sciolaro, PIA
Hallee Cramer, Risk Strategies
Lindsay Klein, Acrisure
Robin Racioppi, Acrisure
Ezio Altamura, GEM-Otterstedt Insurance Agency
Katie Walters, Conner Strong & Buckelew
Jackie Lindsey, Conner Strong & Buckelew
Dave Grubb, PERMA
Brad Stokes, PERMA
Steve Sacco, PERMA
Tracy Lopez, PERMA
Nancy Ghani, PERMA
Jason Thorpe, PERMA
Steven Krolian, PERMA
Sandra Cantwell, PERMA

MINUTES: Chairman Merchel said included in the agenda were the open minutes of August 25, 2023.

Motion To Approve October 25, 2023 Open Minutes:

Moved:	Commissioner Tomasko
Second:	Commissioner Wolk
Vote:	17 Ayes, 1 Abstain (Commissioner von der Hayden)

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR REPORT:

2024 Budget: Executive Director said the 2024 proposed budget totals \$6,448,842, representing a 2% increase. In 2023, the Fund moved from the previous “per member” pricing to adjusting by population, with flat assessments for non-municipal members. This year, we recommend expanding the population banding to reduce the cost for smaller members.

Motion to introduce the 2024 Budget in the amount of \$6,448,842 and schedule a public hearing for November 20, 2023 via Zoom

Moved: Commissioner Ulrich
Second: Commissioner Schrieks
Roll Call Vote: Unanimous

Cybersecurity Risk Control Framework: Executive Director said in response to requests made by members, the Board asked the Risk Control Committee to revisit the components of the Cyber Risk Control program. The Committee recommended the revisions drafted by the Underwriting Manager extracting a sub-set of requirements as a basic standard, creating three levels of compliance: Basic, Intermediate and Advanced with revised deductibles and co-pays accordingly. Underwriting Manager gave an overview of the requirements, saying by adding the Basic level, smaller members can still qualify for some relief in the event of a claim and as importantly, reduce risk. Members that complete the requirements can enjoy a range of savings ranging from \$75,000 up to \$110,000, depending on the level of compliance. Chairman Merchel said given the number of claims occurring in the financial departments, would it possible to add the JCMI ‘Best Practices for Banking’ to the Basic level. Underwriting Manager said this item occurs in the Intermediate level but can be moved to Basic. In response to Commissioner Burnett, Ms. Kontomanolis said the full JCMI Best Practices memo will be emailed next week.

Motion to accept the recommendation of the Risk Control Committee and approve revisions to the Cyber Risk Control Program, including the recommended change to add Banking Best Practices to the Basic level:

Moved: Commissioner Gant
Second: Commissioner Clarke
Vote: Unanimous

JIF Reimbursements: Risk Control Committee recommended a program to provide reimbursement for Joint Insurance Funds already engaged in contracts to provide either Training/Phishing and/or External Vulnerability Scanning. Executive Director said a reimbursement amount, based on the difference of the costs, will be calculated for JIF members with a current contract. Commissioner Brewer asked if there was resolution to the question of proper procurement, and stated his concern was the JIF not make payments for contracts not properly executed. Fund Attorney said he has consulted with David DeWeese, the AJG fund attorney, and Mr. DeWeese’s review of the procurement process found the process was compliant. Discussion ensued, and it was agreed that the reimbursement clause is a ‘one-time’ exception for the AJG funds, the NJ Cyber JIF’s attorney will give oversight on any renewed contracts outside the NJ Cyber JIF program, and it is recommended AJG funds retain a QPA to ensure proper process.

Motion to adopt a reimbursement program, effective September 2023 as recommended by the Cyber Risk Control Committee, with agreement the NJ Cyber JIF Fund Attorney has oversight on contracts outside the NJ Cyber JIF program:

Moved: Commissioner Ulrich
Second: Commissioner Schrieks
Roll Call Vote: 16 Ayes, 1 Nay (Commissioner Brewer), 1 Abstain (Commissioner Criscuolo)

Request for Membership: Executive Director said the New Jersey Counties Excess Liability JIF requested membership in the NJ Cyber JIF and the Risk Control Committee recommended we revisit this request in 2024 after the training program is fully established.

NJ Cyber Webpage: Executive Director said Princeton Strategic Communications (PSC) is building the ‘Members Only’ section for the NJ Cyber JIF and PSC anticipates this will be ready to launch by November 1, 2023. Underwriting Manager confirmed that items to be protected are the cyber compliance framework and checklist, policies, and claims reporting procedures. Assistant Executive Director said a list of current Fund Commissioners and Risk Managers will receive and email to invite them to create a user log in, and each JIF Executive Director’s office will have control to approve login requests.

Chertoff Group Report: Underwriting Manager provided a verbal review of the results of the Technology State Questionnaire completed by members. The goal of the questionnaire was to obtain a more detailed insight of the technology stacks of our members to tailor the cybersecurity framework and provide broadscale advice to the members. Over 300 members responded to the survey, which is a very good percentage. Once the NJ Cyber webpage is updated for a “members only” section, a summary of the information will be posted to the webpage.

Fund Professionals: Executive Director said the Actuary, Auditor, Attorney, QPA and Underwriting Manager were appointed as professional service to a one-year term for 2023. If the Board agrees, the Fund can reappoint these professionals as a professional service for a one-year term for 2024 and consider issuing competitive contract RFPs for these positions starting with 2025. Executive Director, Deputy Executive Director, Planning Consultant and Local JIF Executive Director, Claims Administrator and Treasurer were appointed following a competitive contracting RFP process with terms through the end of 2025. Fund Attorney said if the Board agrees, then the appointments would be presented as a resolution at the Fund’s January reorganizational meeting.

Motion to extend the current one-year professional contracts at the January 2024 reorganizational meeting:

Moved: Commissioner Brewer
Second: Commissioner Shrieks
Vote: Unanimous

NEXT MEETING: Executive Director said the next meeting is scheduled for Monday, November 20, 2023 at 2:00 PM.to be held as a video / audio teleconference call.

Assistant Executive Director said representatives from D2 Cybersecurity were in attendance and asked if there were any questions for them. Chairman Merchel said he encourages them to stay active in engaging our members.

TREASURER:

RESOLUTION 50-23 CONFIRMATION OF PAYMENT – SEPTEMBER 2023

2023	\$167,459.28
TOTAL	\$167,459.28

RESOLUTION 51-23 CONFIRMATION OF PAYMENT – OCTOBER 2023

2023	\$26,852.41
TOTAL	\$26,852.41

Motion to confirm Bills List Resolution 50-23 September 2023 and adopt Resolution 51-23 Approving the October 2023 Voucher List as submitted:

Moved: Commissioner Tozzi
 Second: Commissioner Brewer
 Roll Call Vote: Unanimous

NEW BUSINESS:

None.

OLD BUSINESS:

None.

PUBLIC COMMENT:

None.

MOTION TO ADJOURN:

Moved: Commissioner Ulrich
 Second: Commissioner Wolk
 Vote: Unanimous

MEETING ADJOURNED: 11:35 pm

NEXT MEETING: Monday, November 20, 2023 – 2:00 PM via Zoom

Sandra Cantwell, Assisting Secretary

For

JOY TOZZI, SECRETARY

**NEW JERSEY CYBER RISK MANAGEMENT FUND
BILLS LIST**

Resolution No. 50-23

SEPTEMBER 2023

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

BE IT RESOLVED that the New Jersey Municipal Environmental Risk Management Fund’s Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001083			
001083	CB CLAIMS LLC	CLAIMS ADMIN FEE 9/23	2,083.33
			2,083.33
001084			
001084	QUAL-LYNX	BANKING SERVICES 08/23- INV 53067	500.00
			500.00
001085			
001085	PERMA RISK MANAGEMENT	POSTAGE 08/23	16.35
001085	PERMA RISK MANAGEMENT	ADMINISTRATOR FEE 09/23	10,416.67
			10,433.02
001086			
001086	ARTHUR J. GALLAGHER RISK MGMT SERVICES, LLC	DEPUTY ADMIN 9/23	4,166.67
			4,166.67
001087			
001087	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 09/23	2,083.33
			2,083.33
001088			
001088	CHARLES CUCCIA	TREASURER FEE 09/23	2,083.33
			2,083.33
001089			
001089	CONNER STRONG AND BUCKELEW	UNDERWRITING MANAGER FEE 09/23	4,166.66
			4,166.66
001090			
001090	APPLIEDINFO PARTNERS, INC.	CYBER SECURITY SCANNING/TRAINING 9/23	140,668.00
			140,668.00
001091			
001091	THE CANNING GROUP	QPA SERVICES 08/23	1,250.00
			1,250.00
001092			
001092	NJ ADVANCED MEDIA	ACCT 1000975964 AD 0010716818 8/4/23	24.94
			24.94
		Total Payments FY 2023	167,459.28
		TOTAL PAYMENTS ALL FUND YEARS	167,459.28

Chairperson

Attest:

Dated: _____

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

Treasurer

**NEW JERSEY CYBER RISK MANAGEMENT FUND
BILLS LIST**

Resolution No. 51-23

OCTOBER 2023

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

BE IT RESOLVED that the New Jersey Municipal Environmental Risk Management Fund’s Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001093			
001093	CB CLAIMS LLC	CLAIMS ADMIN FEE 10/23	2,083.33
			2,083.33
001094			
001094	QUAL-LYNX	BANKING SERVICES 10/23 - INV 53135	500.00
			500.00
001095			
001095	PERMA RISK MANAGEMENT	POSTAGE 09/23	34.37
001095	PERMA RISK MANAGEMENT	ADMINISTRATOR FEE 10/23	10,416.67
			10,451.04
001096			
001096	ARTHUR J. GALLAGHER RISK MGMT SERVICES, LLC	DEPUTY ADMIN 10/23	4,166.67
			4,166.67
001097			
001097	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 10/23	2,083.33
			2,083.33
001098			
001098	CHARLES CUCCIA	TREASURER FEE 10/23	2,083.33
			2,083.33
001099			
001099	CONNER STRONG AND BUCKELEW	UNDERWRITING MANAGER FEE 10/23	4,166.66
			4,166.66
001100			
001100	THE CANNING GROUP	QPA SERVICES 09/23	1,250.00
			1,250.00
001101			
001101	COURIER POST	ACCT CHL 993- 9/20/23 MTG CANCEL	16.02
001101	COURIER POST	ACCT CHL-993- 9/12/23 MEETING	10.75
			26.77
001102			
001102	NJ ADVANCED MEDIA	ACCT 1000975964 AD 9/21/23 CANCEL MEET	15.48
001102	NJ ADVANCED MEDIA	ACCT 1000975964 AD 9/11/23 AWARD	25.80
			41.28
		Total Payments FY 2023	26,852.41
		TOTAL PAYMENTS ALL FUND YEARS	26,852.41

Chairperson

Attest:

Dated: _____

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

Treasurer