

NEW JERSEY CYBER RISK MANAGEMENT FUND

OPEN MINUTES

October 17, 2024

VIA TELECONFERENCE – 3:30 PM

Chairwoman Tozzi called the meeting to order and read the statement of compliance open public meeting act.

ROLL CALL OF 2024 FUND COMMISSIONERS

Joy Tozzi - Chair	East Windsor - Mid-Jersey JIF	Present
Adam Brewer - Secretary	Pequannock Township – Morris JIF	Present
Megan Champney	City of Summit- Suburban Municipal JIF	Absent
Jim Gant	Sea Girt Borough – Monmouth JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Bernard Rutkowski	Toms River MUA - NJUA JIF	Present
Marc Schrieks	Lodi Borough – South Bergen JIF	Present
James Pacanowski	Ventnor City, Atlantic JIF	Absent
Ted Preusch	Upper Saddle River - Bergen JIF	Present
Meghan Jack	Riverside Twp- Burlco JIF	Present
Casey Wagner	Woodbridge - Central JIF	Present
Matthew Martin	Hopewell Township BOFC – FIRST JIF	Present
Diane Lapp	Manchester Twp – Ocean JIF	Present
Frank Elenio	Ridgefield Borough – PAIC JIF	Present
Susan Danson	Maple Shade - PMM JIF	Present
John Clarke	Princeton Housing Authority- NJPHA JIF	Present
James Ulrich	Clark Township – NJSI JIF	Present
Vincent Quatrone	Little Falls – Suburban Metro JIF	Present
Michael Razze	Pittman Borough - Trico JIF	Present

PROFESSIONALS PRESENT:

Executive Director/Admin.	PERMA Risk Management Services Joseph Hrubash, Cate Kiernan
Deputy Executive Director	Risk Program Administrators Paul Forlenza, Kamini Patel
Planning Consultant	Risk Loss Managers Barbara Murphy
Claims Adjustor	CB Claims LLC Chris Botta, Esq.
Attorney	Dorsey & Semrau Sue Sharpe, Esq., Frederick Semrau, Esq.
Underwriting Manager	Conner Strong & Buckelew Edward Cooney
Treasurer	Chuck Cuccia

ALSO PRESENT:

Joe Criscuolo - East Brunswick, Central JIF Alternate
Matt von der Hayden, Stafford Township, Ocean JIF Alternate
Brian Lau, D2 Cyber Security
Tom Merchel, Conner Strong & Buckelew
Katie Walters, Conner Strong & Buckelew
Jonathon Tavares, Conner Strong & Buckelew
Jaclyn Lindsey, Conner Strong & Buckelew
Charles Casagrande, Danskin Agency
John Casagrande, Danskin Agency
Don Sciolaro, PIA
Robin Racioppi, Acrisure
Mathew T. McArow, GJEM-Otterstedt Insurance Agency, Inc.
Pauline Kontomanolis, Perma Risk Management Services
Steve Sacco, Perma Risk Management Services
Brad Stokes, Perma Risk Management Services
Robyn Walcoff, Perma Risk Management Services
Zareena Majeed, Perma Risk Management Services
Sandra Cantwell, Perma Risk Management Services

MINUTES: Included in the agenda were the open minutes of September 19, 2024.

MOTION TO APPROVE OPEN MINUTES FOR SEPTEMBER 19, 2024:

Moved: Commissioner Ulrich
Second: Commissioner Schrieks
Vote: 12 Yay, 0 Nays, 5 Abstains (Commissioners Gant, Jack, Lapp, Danson, Ulrich)

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Operations Committee: Executive Director said the Committee met on October 10, 2024 to review a draft 2025 budget and discuss the next steps for the Cyber Consultant Competitive Contract.

- **Draft 2025 Cyber JIF Budget:** Executive Director reviewed the proposed 2025 budget. The claims funding increased by 3.61%, Risk Control including cyber training and consulting increased 2.55%; and Administration increased 2%. The Loss Fund and General Contingencies from last year were used to pay for additional layer of excess coverage, and both are funded at \$50,000 each for 2025. Total Budget for 2025 is: \$6,735,071 which represents a 4.09% increase. As part of the budget review, the Committee also discussed the potential of contracting with an Information Technology (IT) professional to reach out to members to assist in complying with the Basic Level of the Fund’s Cyber Risk Control Framework. Commissioner Razze said his JIF has used an IT consultant in this capacity and it was very helpful. The Executive Director reported that this additional expense may be able to be paid out of the training budget. The Operations Committee will continue the discussion. The Operations Committee meeting minutes were included in the agenda.

Motion to introduce the 2025 Budget in the amount of \$6,735,071 and schedule a public hearing for November 26, 2024 at 3:30 PM via Zoom.

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

- **Cyber Security Consultant:** Executive Director said the Committee reviewed the responses from Competitive Contract 24R-01 and the rating sheets used to score the responses. Of the 10 responses, 3 were rejected for issues with ownership. The Committee will complete the rating sheets for the remaining seven vendors. In response to Executive Director, Fund Attorney said it is their recommendation to not select only 2 or 3 of the vendors to interview as an argument could be made that an interview would change the committee's opinion, and it would be time consuming to interview all 7 vendors. Operations Committee Chairman Razzo said the committee can move forward using the rating sheets and will report at next month's meeting.

Cyber JIF Committee Structure Resolutions Executive Director said Resolutions 36-24 and 37-24 are memorializing the Board's decision to restructure the Operations Committee and the Claims Review Committee.

Motion to adopt Resolution 36-24 Claims Committee and Resolution 37-24 Operations Committee memorializing the Board's decision to restructure the committees.

Moved: Commissioner Danson
Second: Commissioner Brewer
Vote: Unanimous

Banking Services: Executive Director said the Fund Attorney made progress in their negotiations with TD Bank on its limit on liability and TD Bank has agreed to raise their limit on ancillary claims from \$10,000 to \$1 million per claim. Fund Attorney emphasized this coverage is for secondary type claims and with this change the contract is recommended. Fund Attorney thanked the Executive Director and the Fund office for their support during this negotiation. Chairwoman Tozzi thanked the Fund Attorney for his due diligence and work on this issue.

Due Diligence:

Executive Director said the Financial Fast Track report shows as of June 30, 2024 a surplus of just under \$2.7 million and a cash balance of \$5.9 million.

In response to Executive Director, Commissioner Wagner said the DCA's Business Administrator's Best Practices Inventory has included some cybersecurity questions that some members are uncomfortable answering because the information then becomes liable for general knowledge. Executive Director said the Fund office has ongoing dialogue with the DCA and will bring this concern to their attention.

Executive Director said the Central JIF was complementary to D2 on the format change of providing two 30-minute cyber training sessions for this next year.

Next meeting: Executive Director said the next Cyber JIF meeting is scheduled for Tuesday, November 26, 2024 at 3:30 PM via audio / video teleconference. Note this meeting is being held on a Tuesday which is a change from our usual schedule.

TREASURER: Treasurer asked for a motion to approve the October 2024 Bills list:
RESOLUTION 38-24 FOR OCTOBER 2024 VOUCHERS:

October 2024	
2024	\$51,232.68
Total	\$51,232.68

MOTION TO APPROVE RESOLUTION 38-24 OCTOBER BILLS LIST AS PRESENTED:

Moved: Commissioner Gant
Second: Commissioner Wolk
Roll Call Vote: Unanimous

UNDERWRITING MANAGER: Underwriting Manager said the compliance program continues to improve as we see the results of the updates in Origami from the renewal process. The item added to the Basic level to adhere to Best Banking practices in some cases is the only item keeping some members from achieving Basic compliance. Chairwoman Tozzi confirmed that the Basic compliance level would be the focus if an IT consultant is contracted to support members. Assistant Executive Director said we are hearing that some members are resistant to the Positive Pay process, which is part of the Best Banking practices. The Fund will work with the MEL Treasurer to provide a webinar to educate members on the process and benefits of Positive Pay. Mr. Merchel said he attended the Government Financial Association Conference and the CFOs he spoke to were very much in favor of the Positive Pay process and some banks have begun imposing this practice. Chairwoman Tozzi said the Positive Pay is not difficult to implement and a webinar would be very helpful in educating members.

FUND ATTORNEY: Underwriting Manager said they are tracking the progress of the Committees, and they feel the changes have reflected very favorably to the Fund and they will continue to look at the aspects of the Fund at the request of the Commissioners.

NEW BUSINESS:
None.

OLD BUSINESS:
None.

PUBLIC COMMENT:
None.

MOTION FOR EXECUTIVE SESSION TO DISCUSS CLAIMS:

Moved: Commissioner Schrieks
Second: Commissioner Ulrich
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner Schrieks

Second: Commissioner Ulrich
Vote: Unanimous

MOTION TO APPROVE THE PAR AS RECCOMENDED BY THE CLAIMS COMMITTEE:

Moved: Commissioner Ulrich
Second: Commissioner Schrieks
Vote: Unanimous

MOTION TO ADJOURN:

Moved: Commissioner Schrieks
Second: Commissioner Brewer
Vote: Unanimous

MEETING ADJOURNED: 4:00 PM

Sandra Cantwell, Assisting Secretary for Adam Brewer, Secretary

RESOLUTION 36-24

RESOLUTION OF THE NEW JERSEY CYBER RISK MANAGEMENT FUND TO MODIFY CLAIMS COMMITTEE MEMBERSHIP

WHEREAS, by adoption of Resolution 23-24 adopted on May 16, 2024, the New Jersey Cyber Risk Management Fund (“Fund”) established a Claims Committee to review claims and make recommendations to the Fund as to the payment of claims; and

WHEREAS, the Claims Committee is advisory only and has no decision-making authority; and

WHEREAS, the Claims Committee consists of five (5) members, who are the Chair of the Fund and the Board Secretary, along with three (3) additional members of the Board of Fund Commissioners, all appointed by the Chairperson of the Fund; and

WHEREAS, the Claims Committee has recommended that the membership be modified to consist to three (3) regular members, and two (2) alternate members who may attend meetings only if a regular member is unable to; and

WHEREAS, at its meeting held on September 19, 2024, the Fund by motion approved the Claims Committee’s recommendation conditioned upon adopted of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Cyber Risk Management Fund that the Claims Committee shall consist of three (3) regular members of the Board of Fund Commissioners, and two (2) alternate members who may attend meetings only if a regular member is unable to, as appointed by the Chair of the Fund.

BE IT FURTHER RESOLVED that the Claims Committee will be appointed by the Board of Fund Commissioners for a term which shall expire at the end of each fund year.

ADOPTED this ____ day in 2024.

Chairperson

Secretary

RESOLUTION 37-24

RESOLUTION OF THE NEW JERSEY CYBER RISK MANAGEMENT FUND TO MODIFY STANDING OPERATIONS COMMITTEE MEMBERSHIP

WHEREAS, by adoption of Resolution 22-24 on May 16, 2024, the New Jersey Cyber Risk Management Fund (“Fund”) established a standing Operations Committee to provide preliminary feedback to the administration of the Fund and recommendations to the Board of Fund Commissioners regarding strategic goals, planning, rules, contracts, coverage and training, and other issues and objectives of the Fund; and

WHEREAS, the Operations Committee is advisory only and has no decision-making authority; and

WHEREAS, the Operations Committee is made up of seven (7) members, consisting of the Chair of the Fund and the Board Secretary, along with five (5) additional members of the Board of Fund Commissioners, as appointed by the Chair of the Fund; and

WHEREAS, the Operations Committee has recommended that the membership be modified to consist of three (3) regular members and four (4) alternate members who may attend meetings only if a regular member is unable to; and

WHEREAS, at its meeting held on September 19, 2024, the Fund by motion approved the Operations Committee’s recommendation conditioned upon adopted of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Cyber Risk Management Fund that the standing Operations Committee shall consist of three (3) regular members of the Board of Fund Commissioners, and four (4) alternate members who may attend meetings only if one or more regular members are unable to, as appointed by the Chair of the Fund.

BE IT FURTHER RESOLVED that the Operations Committee shall be appointed for a term which shall expire at the end of each fund year.

ADOPTED this ____ day in 2024.

Chairperson

Secretary

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

Resolution No. 38-24

October 2024

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

BE IT RESOLVED that the New Jersey Cyber 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 2024

<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
CB CLAIMS LLC	CLAIMS ADMIN FEE 10/24	2,125.00 2,125.00
QUAL-LYNX	BANKING SERVICES INV QL1215 10/24	500.00 500.00
PERMA RISK MANAGEMENT	POSTAGE 09/24	6.90
PERMA RISK MANAGEMENT	ADMINISTRATOR FEE 10/24	10,625.00
		10,631.90
THE ACTUARIAL ADVANTAGE	ACTUARY FEE 10/24	2,125.00 2,125.00
ARTHUR J GALLAGHER LLC dba	DEPUTY ADMINISTRATOR 10/24	4,250.00 4,250.00
CHARLES CUCCIA	TREASURER FEE 10/24	2,125.00 2,125.00
CONNER STRONG AND BUCKELEW	UNDERWRITING MANAGER 10/24	4,250.00 4,250.00
APPLIEDINFO PARTNERS, INC.	ADMIN OVERHEAD CONTRACT YR 9/23-9/24	23,956.00 23,956.00
THE CANNING GROUP	QPA SERVICE 10/24	1,250.00 1,250.00
GANNETT NEW YORK NJ LOCALIQ	A# 1120276 INV 6675533-10549317 9/8/24	9.46
GANNETT NEW YORK NJ LOCALIQ	A#1120276 INV 6675533-10549211 9/6/24	10.32
		19.78
	Total Payments FY 2024	51,232.68
	TOTAL PAYMENTS ALL FUND YEARS	51,232.68

Chairperson: _____ Attest: _____

Dated: _____

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

Treasurer: _____