

**NEW JERSEY CYBER RISK MANAGEMENT FUND
OPEN MINUTES
September 19, 2024
VIA TELECONFERENCE – 3:30 PM**

Chairwoman Tozzi called the meeting to order. Executive Director 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	Present
Jim Gant	Sea Girt Borough – Monmouth JIF	Absent
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	Absent
Casey Wagner	Woodbridge - Central JIF	Present
Matthew Martin	Hopewell Township BOFC – FIRST JIF	Present
Matthew von der Hayden	Stafford Twp – Ocean JIF Alternate	Present
Frank Elenio	Ridgefield Borough – PAIC JIF	Present
Susan Danson	Maple Shade - PMM JIF	Absent
John Clarke	Princeton Housing Authority- NJPHA JIF	Present
James Ulrich	Clark Township – NJSI JIF	Absent
Vincent Quatrone	Little Falls – Suburban Metro JIF	Present
Michael Razzo	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:

Chuck Hartsoe, PEGAS
Tom Merchel, Conner Strong & Buckelew
Katie Walters, Conner Strong & Buckelew
Jonathon Tavares, Conner Strong & Buckelew
Jaclyn Lindsey, Conner Strong & Buckelew
Dave Grubb, Perma Risk Management Services
Pauline Kontomanolis, Perma Risk Management Services
Steve Sacco, Perma Risk Management Services
Brad Stokes, Perma Risk Management Services
Jason Thorpe, Perma Risk Management Services
Robyn Walcoff, Perma Risk Management Services
Zareena Majeed, Perma Risk Management Services
Steven Krolian, Perma Risk Management Services
Sandra Cantwell, Perma Risk Management Services

MINUTES: Included in the agenda were the open minutes of July 18, 2024.

MOTION TO APPROVE OPEN MINUTES FOR JULY 18, 2024:

Moved: Commissioner Wolk
Second: Commissioner Elenio
Vote: 8 Yays, 0 Nays, 6 Abstains (Commissioners Champney, Rutkowski, Schriecks, Martin Quatrone, Razze)

CORRESPONDENCE: None

EXECUTIVE DIRECTOR REPORT:

Banking Services: Executive Director said on May 16, 2024, the Cyber Board of Fund Commissioners followed the MEL’s lead and appointed TD Bank to provide banking services effective July 1, 2024. Subsequent to the appointment, TD Bank identified contractual clauses, obligations, liability and exposures they wished to limit as well as inclusion of “Limitation of Liability; Disclaimer of Warranties” clause (LLDW) within the contract. MEL Management Committee met on August 23, 2024 to review the proposed contractual changes; copies of the meeting minutes and memorandum drafted by the Fund Attorney were included in Appendix II for information. MEL Fund Attorney reported that he discussed the matter with various levels of management at TD Bank without success. He further noted that incumbent also requested these limitations in its response to proposal (but did not limit in current contract). It appears that this limitation may now be standard in the financial market. MEL Fund will continue efforts to determine if any other banks would provide the needed services without imposing. The MEL Board of Fund Commissioners accepted the proposed language of the cash management master agreement as presented. Fund Attorney said the limitations concern ancillary claims are limited to \$10,000 per claim and MEL Management Committee requested \$1m per claim. They are speaking with other banks as well to find possible options. In response to Commissioner Quatrone, the current agreement is subject to the limits in the contract and this conversation should bring light to other entities in their agreements.

Motion to accept the language of the cash management master agreement as presented.

Moved: Commissioner Schriecks
Second: Commissioner Clarke
Vote: Unanimous

Fiscal Management Plan: Executive Director said Resolution 32-24 amends the Fiscal Management Plan by updating the Banking Services provider and Depository to TD Bank; changes were highlighted for reference in the agenda.

❑ **Motion to adopt Resolution 32-24 amending the 2024 Fiscal Management Plan**

Moved: Commissioner Elenio
Second: Commissioner Wolk
Vote: Unanimous

Cybersecurity Consulting Service CCRFP: Executive Director said following last month’s meeting, the Fund issued a Competitive Contracting RFP for Cybersecurity Consulting. Responses were due September 6, 2024. The Fund received 10 proposals of which three were disqualified. Resolution #33-24 rejects the vendors that did not meet state requirements. Once the Board considers changes to the Operations Committee, the Fund office will distribute the responses and rater sheets to the committee for evaluation.

❑ **Motion to adopt Resolution #33-24 Rejecting Submittal from Cloud Computing Technology, Kuma and Citanex for CC#24R-01 Cyber Security Consultant**

Moved: Commissioner Champney
Second: Commissioner Rutkowski
Vote: Unanimous

Claims Review Committee: Executive Director said the Committee met on September 13th to review Payment Authority Requests, Claims Activity and Meeting Structure. The Open minutes, Closed minutes and Payment Authority Requests PARs were sent under separate cover to the Fund Commissioners. Committee also discussed the composition of the committee, and we will combine this topic with the recommended changes when we discuss the same request for the Operations Committee.

❑ **Motion to approve September PARs as recommended by the Claims Committee**

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

Operations Committee: Executive Director said the Committee met on September 13th; Open minutes were included in the agenda. Closed minutes were sent to Fund Commissioners under separate cover. Committee reviewed D2 Cybersecurity’s request for additional compensation, based on the number of hours reaching out to members to engage in training and vulnerability scanning – that did not otherwise formally “opt out”. The QPA indicated it is permissible to consider the request. The additional compensation is well within the contract amount-not-to-exceed. Committee recommended approving payment request.

❑ **Motion to authorize additional compensation in the amount of \$23,956.00 to D2 for administration services:**

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

Chairwoman Tozzi asked Commissioner Brewer to review the composition of the committees. Commissioner Brewer said the committees as originally structured constituted a quorum with authority to take action, however the intent was to have the Committees serve as advisory and make recommendations to the Board of Fund Commissioners. Therefore, the following changes were agreed upon by the committee members:

- | | |
|---|---|
| <p><u>Claims Committee:</u></p> <ol style="list-style-type: none"> 1. Marc N. Schrieks, Chair 2. Adam Brewer 3. Megan Champney <p><u>Alternates:</u></p> <ol style="list-style-type: none"> 1. Joy Tozzi 2. Jim Ulrich | <p><u>Operations Committee:</u></p> <ol style="list-style-type: none"> 1. Mike Razze, Chair 2. Adam Brewer 3. Joy Tozzi <p><u>Alternates:</u></p> <ol style="list-style-type: none"> 1. Casey Wagner 2. Megan Champney 3. Marc N. Schrieks 4. Diane Lapp |
|---|---|

Fund Attorney said we will take a motion to confirm agreement and next month a resolution will be offered to memorialize the motion.

❑ Motion to Structure the Claims Committee and Operations Committee Members As Detailed:

Moved: Commissioner Brewer
 Second: Commissioner Martin
 Vote: Unanimous

Commissioner Brewer thanked the Committee members for their quick responses. Executive Director thanked Commissioner Brewer for his work to contact the members and the Commissioners who agreed to their roles in these committees. Chairwoman Tozzi also thanked the Commissioners for their understanding as we continue to make improvements in the JIF and thanked Commissioner Brewer for leading this task.

2025 Budget: Executive Director said we are in the final stages of preparing the 2025 budget and will schedule a meeting of the Operations Committee to review before introducing in October.

Financial Fast Track: Executive Director said the Financial fast Track report as of June 30, 2024 shows the Fund increased surplus in the first six months of this year by almost \$747,000 for a total of \$2.6 million.

Next meeting: The next Cyber JIF meeting is scheduled for October 17, 2024 at 3:30 PM via audio / video teleconference.

TREASURER: Treasurer asked for a motion to approve the August 2024 and September 2024 Bills lists:00+

RESOLUTION 34-24 FOR AUGUST 2024 VOUCHERS:

August 2024	
2024	\$108,574.28

Total	\$108,574.28
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RESOLUTION 35-24 FOR SEPTEMBER 2024 VOUCHERS:

September 2024	
2024	\$243,388.91
Total	\$243,388.91

MOTION TO APPROVE RESOLUTION 34-24 AUGUST BILLS LIST AND RESOLUTION 35-24 SEPTEMBER 2024 BILLS LIST AS PRESENTED:

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

UNDERWRITING MANAGER: Underwriting Manager said the compliance program continues to get a lot of attention and questions which are very welcome because they help define the program. The September compliance report, which will be released in October, will give a more accurate picture of where members are in their compliance as that report will include the results after the renewal process. The vast majority of claims they are seeing are ransomware and the initial points of access for these claims are addressed in the Basic level of the compliance program. October is Cyber Security Month and there will be activities to highlight that. In response to Commissioner Von der Hayden, Underwriting Manager said there are a variety of legitimate and not legitimate requests that come through member emails; examples were a Google request for facility review and a security survey. Members are advised to be cautious and in general keep their information private. In response to Commissioner Quatrone, Assistant Executive Director said the new cyber training is being rolled out in two 30-minutes sessions and there will be questions at the end of each session. Underwriting asked members to give feedback on the training. Assistant Executive Director said there is a deadline to encourage members to complete the training but if the deadline is missed, they should still push to complete the training. Chairwomen Tozzi said member input has helped define our program and D2 and the Fund Professionals listen to our requests.

NEW BUSINESS:

None.

OLD BUSINESS:

None.

PUBLIC COMMENT:

None.

MOTION TO ADJOURN:

Moved: Commissioner Clarke
 Second: Commissioner Elenio
 Vote: Unanimous

MEETING ADJOURNED: 4:05 PM

Sandra Cantwell, Assisting Secretary for Adam Brewer, Secretary

RESOLUTION NO: 32-24
NEW JERSEY CYBER RISK MANAGEMENT FUND
(hereafter referred to as “the FUND”)
AMENDING THE FUND’S FISCAL
MANAGEMENT PLAN FOR THE 2024
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

WHEREAS, the FUND adopted Resolution 1-24 at Reorganization which included designating authorized depositories; and

WHEREAS, the FUND has determined the need to amend the authorized depositories; and

NOW, THEREFORE BE IT RESOLVED, the FUND’s 2024 Fiscal Management Plan Section III. will be amended and replaced in its entirety as follows;

- I. FOR WIRE TRANSFERS - that the FUND does hereby require that **Citizens Bank (formerly Investors Bank) or TD Bank** obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.

NOW, THEREFORE BE IT RESOLVED, the FUND’s 2024 Fiscal Management Plan – Section VI. Item 3 will be amended and replaced in its entirety as follows;

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 include but are not limited to:

Citizens Bank (formerly Investors Bank)
TD Bank

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

ADOPTED: This 19th day of September 2024 before the Governing Body

Chairman	date
Secretary	date

RESOLUTION 33-32
NEW JERSEY CYBER RISK MANAGEMENT FUND
(hereafter referred to as the “FUND”)
RESOLUTION REJECTING SUBMITTAL FROM CLOUD COMPUTING TECHNOLOGY,
KUMA AND CITANEX FOR
COMPETITIVE CONTRACT - 24R-01 - CYBERSECURITY CONSULTANT

WHEREAS the New Jersey Cyber Joint Insurance Fund publicly advertised and received competitive contract submittals in a fair and open manner (N.J.S.A. 19:44A-20.5) for CC #24r-01 Cybersecurity Consultant of September 5, 2024 at 11:00A.M.; and

WHEREAS the Fund received submittals by Cloud Computing Technology, Kuma and Citranex containing no or incorrect ownership information as demanded by N.J.S.A.40A:11-4.4(d); and

WHEREAS, the New Jersey Local Public Contracts Law at N.J.S.A. 40A:11-23.2c, makes the lack of providing a valid statement of ownership, a fatal defect and a mandatory rejection of bids; and

WHEREAS, the New Jersey Local Public Contracts Law at N.J.S.A. 40a:11-4.4 (d) specifically makes competitive contract proposals subject to the Ownership Disclosure requirement at N.J.S.A 52:25-24.2; and

NOW, THEREFORE BE IT RESOLVED, by the Board of Fund Commissioners of the New Jersey Cyber Joint Insurance Fund, that the competitive contract proposal in response to CC#24R-01, submitted by Cloud Computing Technology, Kuma and Citranex are hereby rejected under N.J.S.A. 40A:11-23.2c for failure to comply with N.J.S.A. 40A:11-4.4(d).

ADOPTED this day by the Board of Fund Commissioners:

Chair

date

Secretary

date

NEW JERSEY CYBER RISK MANAGEMENT FUND BILLS LIST

Resolution No. 34-24

August 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.

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

FUND YEAR 2023

<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
NISIVOCIA LLP	2023 CALENDAR YR AUDIT	25,000.00
		25,000.00
	Total Payments FY 2023	25,000.00

FUND YEAR 2024

<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
CB CLAIMS LLC	CLAIMS ADMIN FEE 08/24	2,125.00
		2,125.00
QUAL-LYNX	BANKING SERVICES 08/24	500.00
		500.00
PERMA RISK MANAGEMENT	POSTAGE 07/24	7.68
PERMA RISK MANAGEMENT	ADMINISTRATOR FEE 08/24	10,625.00
		10,632.68
THE ACTUARIAL ADVANTAGE	ACTUARY FEE 08/24	2,125.00
		2,125.00
ARTHUR J GALLAGHER LLC dba	DEPUTY ADMINISTRATOR 08/24	4,250.00
ARTHUR J GALLAGHER LLC dba	LOCAL EXEC DIR. COORD. Q2 24 08/24	7,057.64
		11,307.64
RISK & LOSS MANAGERS, INC	PLANNING CONSULTANT Q3 2024	3,825.00
RISK & LOSS MANAGERS, INC	LOCAL ED COORDINATOR Q3 2024 06/24	1,477.94
		5,302.94
DORSEY & SEMRAU	3RD QTR RETAINER 2024	12,750.00
		12,750.00
CHARLES CUCCIA	TREASURER FEE 08/24	2,125.00
		2,125.00
PERMA RISK MANAGEMENT SERVICES	LOCAL ED COORD- 12 JIFS Q3 2024	28,053.02
		28,053.02
CONNER STRONG AND BUCKELEW	UNDERWRITING MANAGER 08/24	4,250.00
		4,250.00

PL SERVICES, LLC AKA PEGAS	LOCAL EXEC.DIRECTOR COORD. Q3 2024	2,527.39
		2,527.39
THE CANNING GROUP	QPA SERVICE 08/24	1,250.00
		1,250.00
GANNETT NEW YORK NJ LOCALIQ	A# 1120276 INV 6557804-10376941 7/14/24	6.45
GANNETT NEW YORK NJ LOCALIQ	A# 1120276 INV 6557804- 10356237 7/7/24	102.00
GANNETT NEW YORK NJ LOCALIQ	A# 1120276 INV 6496068-10230929 6/4/24	7.31
GANNETT NEW YORK NJ LOCALIQ	A# 1120276 INV 6496068 -10269801 6/12/24	26.23
GANNETT NEW YORK NJ LOCALIQ	A# 1120276 INV 6496068 -10297363 6/20/24	6.88
		148.87
NJ ADVANCED MEDIA	ACCT 100097564-AD 10897639 8/5/24	70.52
NJ ADVANCED MEDIA	ACCT 100097564- AD 10887233 7/9/24	391.60
NJ ADVANCED MEDIA	ACCT 100097564 AD 10890117 7/14/24	14.62
		476.74
	Total Payments FY 2024	83,574.28
	TOTAL PAYMENTS ALL FUND YEARS	108,574.28

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. 35-24

September 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.

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 09/24	2,125.00 2,125.00
QUAL-LYNX	BANKING SERVICES INV QL1175 09/24	500.00 500.00
PERMA RISK MANAGEMENT	POSTAGE 8/24	8.97
PERMA RISK MANAGEMENT	ADMINISTRATOR FEE 09/24	10,625.00
		10,633.97
THE ACTUARIAL ADVANTAGE	ACTUARY FEE 09/24	2,125.00 2,125.00
ARTHUR J GALLAGHER LLC dba	DEPUTY ADMINISTRATOR 09/24	4,250.00 4,250.00
CHARLES CUCCIA	TREASURER FEE 09/24	2,125.00 2,125.00
CONNER STRONG AND BUCKELEW	UNDERWRITING MANAGER 09/24	4,250.00 4,250.00
APPLIEDINFO PARTNERS, INC.	EXTERNAL SCANNING 1 OF 3 INV 29155 9/24	75,123.00
APPLIEDINFO PARTNERS, INC.	CYBER TRIAN REMAINING BAL- 29140 8/24	33,329.00
APPLIEDINFO PARTNERS, INC.	CYBER SEC. TRAIN. 1 OF 3. 09/24	107,578.18
		216,030.18
THE CANNING GROUP	QPA SERVICE 09/24	1,250.00 1,250.00
GANNETT NEW YORK NJ LOCALIQ	A# 1120276 iNV 6617047-10484688 8/20/24	8.17
GANNETT NEW YORK NJ LOCALIQ	A# 1120276 INV 6617047- 10432916 8/4/24	26.23
		34.40
NJ ADVANCED MEDIA	ACCT 100097564-AD 10909833 9/9/24	23.22
NJ ADVANCED MEDIA	ACCT 100097564-AD 10903018 8/20/24	20.64
NJ ADVANCED MEDIA	ACCT 100097564-AD 10909819 9/9/24	21.50
		65.36

Total Payments FY 2024 **243,388.91**

TOTAL PAYMENTS ALL FUND YEARS **243,388.91**

Chairperson

Attest

Dated: _____

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

Treasurer: _____