

RESOLUTION NO. 2024- 406

RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT
RENEWING MEMBERSHIP IN THE GLOUCESTER, SALEM,
CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND.

WHEREAS, the City of Vineland (hereinafter the "MUNICIPALITY") is a member of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (hereinafter the "FUND"); and

WHEREAS, the MUNICIPALITY'S membership terminates as of January 1, 2025 unless earlier renewed by a Contract between the MUNICIPALITY and the FUND; and

WHEREAS, N.J.S.A. 40A:11-5 (1) (m) provides that a Contract which exceeds the bid threshold may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor, if the subject matter is for the purchase of insurance coverage and consultant services, provided that the award is in accordance with the requirements for extraordinary unspecifiable services; and

WHEREAS, N.J.S.A. 40A:11-6.1(b) provides that the MUNICIPALITY shall make a documented effort to secure competitive quotations; however, a Contract may be awarded upon a determination, in writing, that the solicitation of competitive quotations is impracticable; and

WHEREAS, in accordance with N.J.A.C. 5:34-2.3, a designated official of the MUNICIPALITY, has filed a certificate with the governing body describing in detail, as set forth below in this Resolution, why this Contract meets the provisions of the statutes and the regulations and why the solicitation of competitive quotations is impracticable; and

WHEREAS, it has been determined that the purchase of insurance coverage and insurance consultant services by the MUNICIPALITY requires a unique knowledge and understanding of the municipal exposures and risks associated with the operation of a municipal entity, and many insurance professionals are not qualified to assess these risks and exposures based upon their inherent complexity; and

WHEREAS, insurance coverage for municipal entities can vary greatly in the type, limits, and exceptions to coverage, and therefore particularized expertise in determining and obtaining the appropriate coverage is required to protect the MUNICIPALITY; and

WHEREAS, it is the goal of the MUNICIPALITY to obtain a single integrated program to provide all types of insurance coverage with a plan to limit the MUNICIPALITIES exposure; and

WHEREAS, the FUND has provided comprehensive insurance coverage to member municipalities since 1991; and

WHEREAS, since 1991, the Fund has continually refined all of the types of coverage that it provides to its members so that it offers comprehensive insurance coverage and limits to all members that is unique and cannot be purchased from a single entity in the commercial insurance market; and

WHEREAS, the FUND has also developed and made available to its members Safety, Risk Management and Litigation Management programs that address the specific exposures and risks associated with municipal entities; and

WHEREAS, the FUND provides the MUNICIPALITY with Fund Administration, Claims Review, Claims Processing, Claims Administration, Actuarial and Legal services; and

WHEREAS, the FUND is one of the most financially sound Municipal Joint Insurance Funds in New Jersey, and the FUND operates with strong fiscal controls, member oversight, and meets all of the requirements promulgated by the New Jersey Department of Community Affairs and the Department of Banking and Insurance; and

WHEREAS, as an existing member of the FUND, the MUNICIPALITY would be renewing its membership in an organization with experienced and dedicated FUND Professionals who provide specialized services to the members; and

WHEREAS, the membership of the FUND includes many neighboring municipalities that have uniquely similar exposures to the MUNICIPALITY, and with whom the MUNICIPALITY has existing inter-local arrangements; and

WHEREAS, all of the aforementioned factors categorize the award of this Contract as an "extraordinary, unspecifiable service" that cannot be duplicated, accounted for, accurately detailed, or described in a manner that truly depicts the value of the MUNICIPALITY'S membership in the FUND; and

CITY OF VINELAND, NJ

WHEREAS, for all of the aforementioned reasons, it is impracticable for the MUNICIPALITY to seek competitive quotations for a Contract to provide the procurement of insurance coverage and consultant services; and

WHEREAS, the FUND has been organized pursuant to N.J.S.A. 40A:10-36 et seq., and as such is an agency of the municipalities that created it; and

WHEREAS, N.J.S.A. 40A:11-5(2) also provides that a Contract which exceeds the bid threshold may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor, if the Contract is entered into with a municipality or any board, body, officer, agency or authority thereof; and

WHEREAS, the FUND meets the definition of an agency as set forth in N.J.S.A. 40A:11-5(2); and

WHEREAS, for all of the aforementioned reasons, the MUNICIPALITY desires to enter into a Contract to renew its membership with the FUND for a period of three (3) years, for insurance coverage and consultant services, as an exception to the public bidding requirements of the Local Public Contracts Law.

NOW THEREFORE, be it resolved by the governing body of the MUNICIPALITY as follows:

1. The MUNICIPALITY agrees to renew its membership in the FUND and to be subject to the Bylaws, Rules and Regulations, coverages, and operating procedures thereof as presently existing or as modified from time to time by lawful act of the FUND.
2. The Mayor and Clerk of the MUNICIPALITY shall be and hereby are authorized to execute the "Contract to Renew Membership" annexed hereto and made a part hereof and to deliver same to the FUND evidencing the MUNICIPALITY'S renewal of its membership.
3. In accordance with N.J.A.C. 5:34-2.3, the certificate of a designated official of the MUNICIPALITY, which details why the solicitation of competitive quotations is impracticable, is attached hereto and made a part of this Resolution.
4. The Clerk of the MUNICIPALITY is authorized and directed to place a notice of the adoption of this Resolution and the award of this Contract in the official newspaper of the MUNICIPALITY.

Adopted: September 10, 2024

President of Council eaa

ATTEST:

City Clerk kp

CITY OF VINELAND

This Resolution agreed to this 10th day of September, 2024, by a vote of:

_____ Affirmative _____ Negative _____ Abstentions

Keith Petrosky, RMC (Municipal Official)

June 11, 2024

Jeffre Celebre
Vineland City
57 W. Park Avenue
Vineland, NJ 08360

Re: Membership Renewal in the TRICO JIF

Dear Jeff:

It is time to re-affirm your membership in the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (TRICO JIF) for the three-year period beginning January 1, 2025.

TRICO JIF Membership Agreement

Attached, please find documents pertaining to your municipality's Renewal of Membership in the TRICO JIF. The Resolution and accompanying Certification outlines the uniqueness of your JIF membership and the provisions under the Local Public Contracts Law wherein your municipality can renew your membership in the TRICO JIF without soliciting quotes or undertaking a formal bid process. Please review the Resolution and Certification, have the appropriate personnel from your municipality complete and sign the Certification, file a copy with the Municipal Clerk, and place the Resolution on your next agenda for adoption. Once the Resolution is approved, a notification regarding the awarding of the contract must be placed in the municipality's official newspaper.

In order to ensure a smooth budget and renewal process for the JIF, we ask that you forward your Renewal Resolution and the attached *Agreement to Renew Membership in the TRICO JIF* to our office by **Friday, August 23, 2024**. Your prompt response will enable the Finance Committee to develop a realistic 2025 Fund Year budget in a timely manner.

As you consider your continuing membership in the JIF during these unprecedented times, it is important to consider all aspects of your JIF program including its ability to react to new exposures, its financial strength, and the unique risk management and safety programs available to members.

Member Visitation Program

Recently, our office reached out to schedule a meeting with you and representatives of your governing body. While we recognize that some public meetings are still being held virtually, we would still like the opportunity to provide you with detailed information on your performance in the JIF, utilization of JIF Programs, as well as review the JIF's financial stability. We will work within your meeting format to provide you the necessary information you need to make a decision regarding your JIF membership in a quick and efficient manner.

Not All JIFs are Identical

If you intend to compare the JIF to other programs, we ask that you please contact our office as comparing insurance programs can be a difficult and confusing process. One thing is for sure; all insurance and all JIFs are **not** alike. Things to take into consideration when evaluating a JIF should include the amount of cash on hand, the discounting of reserves, and operating expenses and risk management consultant fees as a percentage of the JIF budget. In addition, what coverages are being offered and the limits, deductibles, co-insurance requirements, programs, fund professionals, and services. If you intend to conduct a marketing exercise, we recommend that you begin the process immediately to meet the JIF's **August 23rd** date.

Your JIF

As you know, the JIF is a valuable resource to all of its members. Our safety, risk management, and claims management services are second to none. Your JIF membership provides access to state of the art risk management programs and local training seminars on important issues such as Police, Public Officials, and Employment Practices Liability. In addition to its superior liability and claims management services, the JIF recently expanded member accessibility to safety training programs. As a member of the JIF, you have access to the MEL Safety Institute, which allows your employees to participate in training either in person, virtual in person or 100% online. These options allow members to decide the best employee-training format for their needs in meeting their training requirements. **Please note, the JIF does not mandate any training; instead, the JIF makes it easy for our members to complete training mandated by State and Federal laws and regulations.**

As municipalities utilize technology to create efficiencies for both the taxpayers and employees, it leads to increased cyber exposure. The TRICO JIF was a pioneer in recognizing these challenges and contracted with vendors to provide phishing exercises, online cyber hygiene training and external network vulnerability scanning and penetration testing services. In addition, as a member of the JIF you are automatically a member of the Cyber Risk Management Fund (Cyber JIF) which was created in recognition of the difficulty in obtaining cyber coverage for municipalities. Furthermore, the JIF recognized the difficulties faced by members and their IT professional in complying with the Cyber JIF's Security Framework and appointed a Technology Risk Services Director, whose sole purpose is to help municipalities reduce their deductible obligations by being in compliance with the Security Framework at the time of a cyber incident.

Unprecedented Challenges – Members

Member municipalities are faced with additional challenges such as significant budget pressures due to inflationary factors and unfunded mandates, mass retirements of experienced municipal employees, difficulty in finding new personnel and existing personnel taking on additional responsibilities. As a result, the JIF has introduced a hybrid-meeting schedule to limit the time your employees are out of the office and provide resources to help facilitate Federal, State and Court mandated trainings for your employees.

Financial Strength - Discounts for Renewing Members

The JIF recognizes the need to retain members who have contributed to our financial success and we have developed programs designed to reward renewing members whose claims experience has been above average. For members who have had less favorable experience, we have developed loss sensitive programs that can reduce your renewal premium and allow your future claims experience to determine your ultimate premium. The JIF will also consider high deductible or SIR programs as a way of reducing premiums for members who qualify. Please contact our office if you wish to discuss any of these options.

Financial Strength - Dividends

The strong financial position of the JIF has also allowed it to withstand the below unprecedented and unfunded mandates, while continuing to return dividends to our members. Since its inception, the JIF has returned in excess of \$26.75 million to its members including over \$1.7 million in 2023. Return of dividends is made possible by the conservative nature of the JIF operations and because every penny not spent on claims is returned to our members with interest! Member dedication to safety, claims and risk management means fewer accidents.

Unprecedented Challenges – JIF/MEL

Over the past several years, the JIF/MEL have reacted to unprecedented challenges that have had a direct impact on JIF/MEL's financial position and the ability to defend your claims. These include:

- The enactment of a State law removing of the statute of limitations for victims of a sexual abuse and/or molestation to file a claim against a potential responsible party exposing the JIF to past and future claims;

CONTRACT TO RENEW MEMBERSHIP WITH THE
GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND

WHEREAS, the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (hereinafter the “FUND”) is a duly chartered Municipal Joint Insurance Fund as authorized by NJSA 40A:10-36 et seq.; and

WHEREAS, the City of Vineland (hereinafter the “MUNICIPALITY”) is currently a member of said FUND; and

WHEREAS, effective January 1, 2025, said membership in the FUND will expire unless earlier renewed; and

WHEREAS, the Governing Body of the MUNICIPALITY has authorized the entry into this Contract to renew said membership through the adoption of a Resolution # 2024-_____ which details the reasons for renewing said membership with the FUND; and

WHEREAS, the FUND has accepted the renewal of the membership of the MUNICIPALITY in the FUND.

NOW, THEREFORE, it is hereby contracted and agreed between the FUND and the MUNICIPALITY as follows:

1. The MUNICIPALITY hereby renews its membership in the FUND for a three (3) year term commencing on January 1, 2025 and ending on January 1, 2028 as authorized by Resolution #2024-_____.
2. The MUNICIPALITY hereby ratifies and reaffirms the Indemnity and Trust Agreement, the By-Laws and other organizational and operating documents of the FUND as are from time to time amended and altered by the FUND and/or the Department of Banking and Insurance in accordance with the applicable statutes and administrative regulations as if each and every one of said documents were re-executed contemporaneously herewith.
3. The MUNICIPALITY shall be a participating member of the FUND for the three (3) year term of this Contract, and the MUNICIPALITY shall comply with all of the rules and regulations and obligations associated with said membership.
4. In consideration of the continuing membership of MUNICIPALITY in the FUND, the FUND has agreed to the continuing membership of the MUNICIPALITY subject to the continuing approval of the Commissioner of Banking and Insurance, to accept the renewal application of the MUNICIPALITY.

This Contract was executed on this ____ day of _____, 2024 as the lawful and binding act and deed of the MUNICIPALITY and the FUND, and the execution of this Contract has been duly authorized by Resolution # 2024-___ of the governing body of the MUNICIPALITY.

MUNICIPALITY (please print)

Attest: _____

CLERK

MAYOR

TRICOJIF FUND

Attest: _____

SECRETARY

CHAIRPERSON

CERTIFICATE OF A DESIGNATED OFFICIAL

In accordance with N.J.A.C. 5:34-2.3, I, Jeffre Celebre am the designated official of the City of Vineland (hereinafter the "MUNICIPALITY"), and I am certifying to the governing body, in detail, why the Contract with the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (hereinafter the "FUND"), meets the provisions of the statutes and the regulations and why the solicitation of competitive quotations is impracticable. The reasons are as follows:

- 1) The purchase of insurance coverage and insurance consultant services by the MUNICIPALITY requires a unique knowledge and understanding of the municipal exposures and risks associated with the operation of a municipal entity, and many insurance professionals are not qualified to assess these risks and exposures based upon their inherent complexity; and
- 2) Insurance coverage for municipal entities can vary greatly in the type, limits, and exceptions to coverage, and therefore particularized expertise in determining and obtaining the appropriate coverage is required to protect the MUNICIPALITY; and
- 3) It is the goal of the MUNICIPALITY to obtain a single integrated program to provide all types of insurance coverage with a plan to limit the MUNICIPALITIES exposure; and
- 4) The FUND has provided comprehensive insurance coverage to member municipalities since 1991; and
- 5) Since 1991, the FUND has continually refined all of the types of coverage that it provides to its members so that it offers comprehensive insurance coverage and limits to all members that is unique and cannot be purchased from a single entity in the commercial insurance market; and
- 6) The FUND has also developed and made available to its members Safety, Risk Management and Litigation Management programs that address the specific exposures and risks associated with municipal entities; and
- 7) The FUND provides the MUNICIPALITY with Fund Administration, Claims Review, Claims Processing, Claims Administration, Actuarial and Legal services; and
- 8) The FUND is one of the most financially sound Municipal Joint Insurance Funds in New Jersey, and the FUND operates with strong fiscal controls, member oversight, and meets all of the requirements promulgated by the New Jersey Department of Community Affairs and the Department of Banking and Insurance; and
- 9) As an existing member of the FUND, the MUNICIPALITY would be renewing its membership in an organization with experienced and dedicated FUND Professionals who provide specialized services to the members; and
- 10) The membership of the FUND includes many neighboring municipalities that have uniquely similar exposures to the MUNICIPALITY, and with whom the MUNICIPALITY has existing inter-local arrangements; and

- 11) The FUND has been organized pursuant to N.J.S.A. 40A:10-36 et seq., and as such is an agency of the municipalities that created it; and
- 12) N.J.S.A. 40A:11-5(2) also provides that a Contract which exceeds the bid threshold may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor, if the Contract is entered into with a municipality or any board, body, officer, agency or authority thereof; and
- 13) The FUND meets the definition of an agency as set forth in N.J.S.A. 40A:11-5(2); and
- 14) The coverage and services provided under the Contract with the FUND cannot be duplicated, accounted for, accurately detailed, or described in a manner that truly depicts the value of the MUNICIPALITY'S membership in the FUND; and
- 15) It is impracticable for the MUNICIPALITY to seek competitive quotations for a Contract to provide the procurement of insurance coverage and consultant services.

Signature of Designated Official:



Municipality:

_____ City of Vineland

Dated:

8/22/24
