306-26
November 10, 2026

RESOLUTION

WHEREAS, the Township of West Orange (the "Township") participates in joint insurance funds to manage its liability risks due to operations pursuant to N.J.S.A. 40A:10-36 et seq.; and

WHEREAS, the Township was formerly a member of the Garden State Municipal Joint Insurance Fund for many years and during the period between 2002 and 2023; and

WHEREAS, N.J.A.C. 11:15-2.15 and 2.16 authorize joint insurance funds to require their members to pay assessments and supplemental assessments to meet the obligations of the fund; and

WHEREAS, N.J.A.C. 11:15-2.10(c) provides: "A member that has been terminated by or does not continue as a member of the fund shall nevertheless share in any surplus in the appropriate trust accounts for that fund and shall remain jointly and severally liable for claims incurred by the fund and its members during the period of its membership, including but not limited to, being subject to and liable for supplemental assessments;" and

WHEREAS, the GSMJIF's Bylaws state: "A member that has been terminated or does not continue as a member of the Fund shall remain jointly and severally liable for claims incurred by the Fund and its members during the period of its membership, including but not limited to being subject to and liable for supplemental assessments."

WHEREAS, the GSMJIF's 2024 Risk Management Plan provides, inter alia, "Should any member subject to such special assessment discontinue its membership in the Fund or should any member have discontinued its membership in the Fund prior to the date of the resolution levying the supplemental assessment, the full balance of any remaining unpaid installments shall become immediately due and payable to the Fund." On January 28, 2026,

the GSMJIF Commissioners added the following language to this provision of the 2024 Risk Management Plan. "… unless the Fund and the former member elect to enter into an agreement that provides for the payment of the outstanding special assessment in installments."

WHEREAS, in accordance with the Joint Insurance Law, DOBI Regulations, GSMJIF Bylaws, and Risk Management Plan, on July 24, 2024 the Fund Commissioners approved Resolution No. 29-14 in which the FUND declared a supplemental assessment of $22,649, 481 for FUND years 2002 through 2023 and called for the calculation of each member's proportionate share of the supplemental assessment.

WHEREAS, On March 25, 2026, the FUND Commissioners approved Resolution No. 14-26 which amended the supplemental assessment declared under Resolution No. 29-24 to $48,030,463; and

WHEREAS, the Township's obligation under the supplemental assessment set forth above is One Million Ninety Four Thousand Twenty Five ($1,094,025.00) Dollars; and

WHEREAS, a proposed agreement for payment of the supplemental assessment has been negotiated between the Township and the GSMJIF to make the payment in three (3) equal installments of Three Hundred Sixty Four Thousand Six Hundred Seventy Five ($364,675.00) Dollars; and

WHEREAS, the Township now seeks to ratify and adopt the settlement agreement as aforesaid.

NOW, THEREFORE BE IT HEREBY RESOLVED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF WEST ORANGE that the Agreement tendered by the GSMJIF for payment of the supplemental assessment as recited above, made a part hereof and

incorporated herein by reference be and hereby is approved and adopted on the following terms:

Payment in full by December 31, 2028.

(a) West Orange shall pay the GSMJIF the total sum of **$1,094,025.** on or before December 31, 2028 in three equal installments as follows:

1. Payment of the amount of $364,675 due on or before January 1, 2027.

2. Payment of the amount of $364,675 due on or before January 1, 2028.

3. Payment in the amount of $364,675 due on or before December 31, 2028.; and be it further

RESOLVED that the Mayor, Chief Financial Officer and Township Clerk shall be authorized to execute the Agreement and arrange for payment of the supplemental assessment on the terms set forth above and in the Agreement consistent therewith.

Karen J. Carnevale
Municipal Clerk

Susan Scarpa
Council President

Adopted: November 10, 2026