

Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Appointing a Risk Management Consultant and Authorizing Execution of a Risk Management Consultant Agreement

WHEREAS, the Borough of Mount Arlington has resolved to join the Morris County Municipal Joint Insurance Fund, following a detailed analysis; and

WHEREAS, the bylaws of said Funds require that each Governing Body appoint a Risk Management Consultant to perform various professional services as detailed in the bylaws; and

WHEREAS, the Board of Fund Commissioners established a fee equal to six percent (6%) of the Municipal assessment which expenditure represents reasonable compensation for the services required and was included in the cost considered by the Governing Body; and


WHEREAS, the judgmental nature of the Risk Management Consultant's duties renders comparative bidding impractical;

NOW THEREFORE, be it resolved that the Borough of Mount Arlington does hereby appoint Richard Allocca as its Risk Management Consultant in accordance with the Fund's bylaws; and

BE IT FURTHER resolved that the Governing Body is hereby authorized and directed to execute the Risk Management Consultant's Agreement annexed hereto and to cause a notice of this decision to be published according to NJSA 40A:11-5 (1) (a) (i).

This Resolution shall take effect immediately.

I HEREBY CERTIFY this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, adopted on March 15, 2011.


Linda DeSantis, RMC
Borough Clerk

RISK MANAGEMENT CONSULTANT'S AGREEMENT

THIS AGREEMENT entered into this 1st day of January, 2011, between the Borough of Mount Arlington (hereinafter referred to as GOVERNING BODY) and Richard Allocca (hereinafter referred to as the CONSULTANT).

WHEREAS, the CONSULTANT has offered to the GOVERNING BODY professional risk management consulting services as required in the bylaws of the Morris County Municipal Joint Insurance Fund and;

WHEREAS, the GOVERNING BODY desires these professional services pursuant to the resolution adopted by the governing body of the GOVERNING BODY at a meeting held March 15, 2011 and;

NOW, THEREFORE, the parties in consideration of the mutual promises and covenants set forth herein, agree as follows:

- I. For and in consideration of the amount stated hereinafter, the CONSULTANT shall:
 - a) Assist the GOVERNING BODY in identifying its insurable Property & Casualty exposures and to recommend professional methods to reduce, assume or transfer the risk or loss.
 - b) Assist the GOVERNING BODY in understanding the various coverages available from the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.
 - c) Review with the GOVERNING BODY any additional coverages that the CONSULTANT feels should be carried but are not available from the FUND and subject to the GOVERNING BODY's authorization, place such coverages outside the FUND.
 - d) Assist the GOVERNING BODY in the preparation of applications, statements of values, and similar documents requested by the FUND, it being understood that this

Agreement does not include any appraisal work by the CONSULTANT.

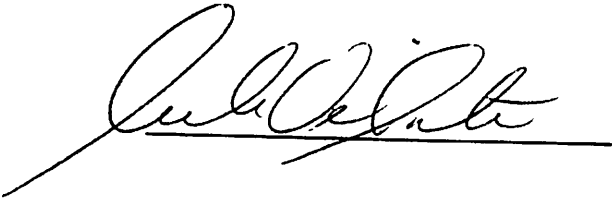
- e) Review Certificates of Insurance from contractors, vendors and professionals when requested by the GOVERNING BODY.
 - f) Review the GOVERNING BODY's assessment as prepared by the FUND and assist the GOVERNING BODY in the preparation of its annual insurance budget.
 - g) Review the loss and engineering reports and generally assist the safety committee in its loss containment objectives. Also, attend no less than one (1) municipal safety committee meeting per annum to promote the safety objectives and goals of the GOVERNING BODY and the FUND.
 - h) Assist where needed in the settlement of claims, with the understanding that the scope of the CONSULTANT's involvement does not include the work normally done by a public adjuster.
 - i) Perform any other risk management related services required by the FUND's bylaws.
2. In exchange for the above services, the CONSULTANT shall be compensated in the following manner:
- a) The CONSULTANT shall be paid by the GOVERNING BODY a fee as compensation for services rendered, an amount equal to six percent (6%) of the GOVERNING BODY's annual assessment as promulgated by the FUNDS. Said fee shall be paid to the CONSULTANT within thirty (30) days of payment of the GOVERNING BODY's assessment.
 - b) For any insurance coverages authorized by the GOVERNING BODY to be placed outside the FUND, the CONSULTANT shall receive as compensation the normal brokerage commissions paid by the insurance company. The premiums for said policies shall not be added to the FUND's assessment in computing the fee outlined in 2 (a).
 - c) If the GOVERNING BODY shall require of the CONSULTANT extra services other than those outlined above, the CONSULTANT shall be paid by the

GOVERNING BODY a fee at the rate of _____ per hour, in addition to actual expenses incurred.

3. The term of this Agreement shall be one (1) year. However, this Agreement may be terminated by either party at any time by mailing to the other written notice, certified mail return receipt, calling for termination at not less than thirty (30) days thereafter. In the event of termination of this Agreement, the CONSULTANT's fees outlined in 2 (a) above shall be prorated to date of termination.

ATTEST:

GOVERNING BODY:





ATTEST:

CONSULTANT:

Note:

This sample has been promulgated by the MEL to assist municipalities in preparing or negotiating agreements with their risk managers. It does not represent an official statement of MEL policy, nor is it an endorsement of any form or amount of compensation. Careful consideration at the local level should be given to determine how the document may be amended to meet a community's unique needs or desires. Prior to use, the sample should also be reviewed by the local attorney for form, consistency with local JIF bylaws, inclusion of affirmative action language, etc.