

## **RESOLUTION 70-2021**

### **RESOLUTION SUPPORTING AN APPROPRIATIONS AND LEVY CAP EXEMPTION FOR A THREE-YEAR PERIOD FOR INCREASES IN LIABILITY, WORKER'S COMPENSATION, CYBER LIABILITY AND PROPERTY INSURANCE**

**WHEREAS**, pursuant to N.J.S.A. 40A:4-45, et al, a municipality is required to limit any increase in its levy to 2.0% and any increase in appropriations to 2 1/2% or the cost-of-living adjustment, whatever is less, over the prior year's final appropriations subject to certain exceptions; and

**WHEREAS**, all local public entities have incurred an estimated \$50 million in COVID related worker's compensation claims and it is anticipated that these costs will continue to increase as a result of long-term COVID cases; and

**WHEREAS**, a 2021 New Jersey Department of Labor decision regarding workers compensation funding has generated increased costs to municipalities by over 10% in order to cover claims that were previously funded by the State pension system; and

**WHEREAS**, a recent amendment to the sexual molestation statute of limitations will increase total liability costs by an estimated amount of 6%; and

**WHEREAS**, the frequency of weather-related catastrophic claims and corresponding impacts are anticipated to increase property insurance costs by over 10% per year; and

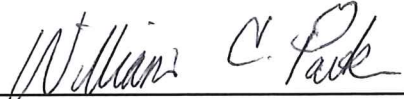
**WHEREAS**, cyber liability events throughout the country have resulted in doubling premium costs in 2022 and such costs are expected to accelerate at a pace far greater than the rate of inflation; and

**WHEREAS**, these increasing costs, regulations, policy decisions and environmental impacts are occurring when many other items and costs in municipal budgets are also increasing at an inflationary rate.

**NOW THEREFORE BE IT RESOLVED** by the Governing Body of the Borough of Woodbury Heights that N.J.S.A. 40A:4-45 be amended to provide that appropriations in the first three years after the effective date of (this amendment) for liability insurance, worker's compensation insurance, cyber insurance, and property insurance be exempt from the Appropriation CAP and the Levy CAP.

**BE IT FURTHER RESOLVED** that a copy of this resolution shall be sent to the New Jersey Legislative representatives for the Borough of Woodbury Heights.

**BOROUGH OF WOODBURY HEIGHTS**

BY:   
**WILLIAM C. PACKER, MAYOR**

**ATTEST:**

  
**SHANNON ELTON, BOROUGH CLERK**

The foregoing Resolution was duly adopted by the Borough Council of the Borough of Woodbury Heights at a meeting held on July 20, 2022.

  
**SHANNON ELTON, BOROUGH CLERK**