
PUBLIC ALLIANCE INSURANCE COVERAGE FUND

**EXECUTIVE COMMITTEE'S MEETING MINUTES
May 11, 2021**

I. Call to Order – Cynthia Ege, Chairperson

The meeting was called to order at 9:35 a.m. by Chairperson Ege.

II. Open Public Meetings Statement – Cynthia Ege, Chairperson

The Open Public Meetings Act was read by Chairperson Ege.

III. Flag Salute and Moment of Silence

III. Roll Call

Executive Committee

		<u>Attendance</u>
Joseph Kennedy (a. 9:42/1. 10:30)	Belvidere Township	Present
Kevin Davis	Hunterdon County	Present
Cynthia Ege	City of Lambertville	Present
Frank Elenio	Ridgefield Borough	Present
Grace Brennan	Union Township	Present

Executive Committee - Alternates

Michael Zichelli (a. 9:42)	Glen Ridge Borough	Present
Richard Sheola	Readington Township	Absent

Fund Commissioners Present

Walter Baumgarten	Bethlehem Township
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Also Present

Chuck Hartsoe	PEGAS
Barbara Murphy	PEGAS/Risk & Loss Managers, Inc.
Michaelene Miller	
M. Paige Berry	Saul Ewing Arnstein & Lehr LLP
Eric Bause	The Actuarial Advantage
Missy Pudimott	Medlogix
Robert Granata	Highland Claim Services, Inc.
Lisa Pflug	
Michael Niznik	Partnership Safety Consultants
Shawn Gillon	Withum, Smith & Brown
Gregory Della Pia	Treasurer
Kathy Young	Alamo Insurance
Tom Narolewski	Assured Partners
Gina Smith	
Sharon Cooper	Acrisure LLC/Public Entity Advocates

IV. Introduction of Guests

There were no introductions.

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V. Executive Committee Business

A. Approval of the January 12, 2021 Fund Commissioners' Reorganization, Executive Committee's Reorganization and Closed Meeting Minutes.

Motion to approve the January 12, 2021 Fund Commissioners' Reorganization, Executive Committee's Reorganization and Closed Meeting Minutes.

Moved: Frank Elenio

Seconded: Kevin Davis

Vote: Approved: Unanimous Nay:

B. Reports

1. Chairperson – Cynthia Ege

There was no report.

2. MEL Delegate's Report – Kevin Davis

As per the report emailed to members.

Barbara Murphy stated that a special meeting had recently been held to discuss various financial issues related to the Middlesex County Municipal JIF (MCMJIF).

Barbara Murphy stated that JIF's last completed audited financials were as of 12/31/2018 and indicated a deficit, at that time, in excess of \$25 million. She stated that the board of fund commissioners discussed options to assist the Fund's members moving forward by the Fund becoming a MEL member JIF or placing its members in a current MEL affiliated JIF. She stated that there had been discussions with DOBI regarding the various remediation efforts proposed to address the current deficit and overall management of the Fund with respect to the years prior to any potential membership in the MEL.

3. Secretary – Grace Brennan

There was no report.

4. Attorney – Saul Ewing Arnstein Lehr, LLP – M. Paige Berry

As per the report included in the agenda package.

5. Treasurer – Gregory Della Pia

The treasurer presented the Bill List, Treasurer's Report and Investment Report.

a. Bill List

Approval of the Bill list for all fund years.

Motion to approve the Bill List totaling \$2,331,649.00.

Moved: Grace Brennan

Seconded: Kevin Davis

Vote: Approved: Unanimous Nay:

b. Treasurer's Report

As per the report distributed at the meeting.

c. Investment Status

As per the report distributed at the meeting.

6. Actuarial Report as of 12/31/20 – The Actuarial Advantage – Eric Bause

Eric Bause presented the actuarial report, explaining that the purpose of the report was to project the ultimate losses for the fund. He commented that ultimate losses consist of reported losses that are paid losses and case reserves plus the incurred but not reported (IBNR) reserve. He stated that the IBNR reserve is a provision that takes into account the emergence of unknown claims, development of known cases and the reopening of closed claims. He further stated that as of the December 31, 2020 valuation date, the total case reserves and IBNR reserves were \$3,615,700.

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7. Financial Report – Withum, Smith & Brown – Shawn Gillon

- a. PAIC Financial Report as of 12/31/20

Shawn Gillon presented the financial report distributed at the meeting. He stated that the balance sheet shows assets of \$20,442,128 and a fund surplus of \$15,103,878. He further stated that there were no audit comments or recommendations and no deficiencies or weaknesses found for the Fund.

Motion to approve Resolution 2021-25 Certifying the Review of the Annual Audit.

Moved: Joseph Kennedy

Seconded: Grace Brennan

Vote: Approved: Unanimous Nay:

8. Administrator - Public Entity Group Administrative Services

As per the memorandum included in the agenda package.

- a. Cannabis Legislation, EPL Risk Management Program Update and Cyber RMP v2

The administrator reviewed the deadlines for the updates and program reminders included with the agenda package.

9. Loss Control Specialist – Partnership Safety Consulting

As per the report included in the agenda package.

10. Managed Care Services – Medlogix

As per the report included in the agenda package.

C. Old Business

There was no old business.

D. New Business

1. Resolution 2021-26 Approving Addendum to Risk Management Consultants Agreement

Barbara Murphy stated that the Borden Perlman Agency had been purchased by CBIZ and an addendum to their current contract would be added to reflect the change.

Motion to adopt resolution 2021-26 approving an addendum to risk management consultants agreement.

Moved: Joseph Kennedy

Seconded: Grace Brennan

Voted: Approved: Unanimous Nay:

2. Resolution 2021-27 Adopting an Amended Risk Management Plan

Motion to adopt resolution 2021-27 adopting an amended risk management plan.

Moved: Frank Elenio

Seconded: Grace Brennan

Voted: Approved: Unanimous Nay:

3. Introduction of the 2021 Fund Year Budget Revision #1

Barbara Murphy stated budget had been revised to reflect changes in membership.

Motion to introduce the 2021 fund year budget revision #1.

Moved: Joseph Kennedy

Seconded: Kevin Davis

Voted: Approved: Unanimous Nay:

E. Public Comment

There was no public comment.

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F. Claims Sub-Committee Report

1. **Motion** to ratify the March 9, 2021 and April 13, 2021 Claims Sub-Committee Meeting Minutes.

Moved: Grace Brennan

Seconded: Frank Elenio

Vote: Approved: Unanimous Nay:

G. Closed Session

There was no closed session.

VI. Adjournment

Moved: Grace Brannen

Seconded: Kevin Davis

Vote: Approved: Unanimous Nay:

The meeting was adjourned at 10:31 a.m.

The next meeting will be held on **September 14, 2021** at 9:30 a.m.

Respectfully submitted,

Authorized Signature