
PUBLIC ALLIANCE INSURANCE COVERAGE FUND

**EXECUTIVE COMMITTEE'S MEETING MINUTES
November 23, 2021**

I. Call to Order – Cynthia Ege, Chairperson

The meeting was called to order via zoom at 9:32 a.m. by Chairperson Ege.

II. Open Public Meetings Statement – Cynthia Ege, Chairperson

The Open Public Meetings Act was read by Chairperson Ege.

III. Roll Call

Executive Committee

		<u>Attendance</u>
Joseph Kennedy	Belvidere Township	Present
Kevin Davis	Hunterdon County	Absent
Cynthia Ege	City of Lambertville	Present
Frank Elenio	Ridgefield Borough	Present
Grace Brennan	Union Township	Present

Executive Committee - Alternates

Michael Zichelli	Glen Ridge Borough	Present
Richard Sheola	Readington Township	Present

Fund Commissioners Present

Walter Baumgartner	Bethlehem Township
--------------------	--------------------

Also Present

Chuck Hartsoe	PEGAS
Barbara Murphy	PEGAS/Risk & Loss Managers, Inc.
Michaelene Miller	
M. Paige Berry	Saul Ewing Arnstein & Lehr, LLP
Robert Granata	Highland Claim Services, Inc.
Lisa Pflug	
Linda Wehner	
Missy Pudimott	Medlogix
Michael Niznik	Partnership Safety Consultants
Gregory Della Pia	Treasurer
Sharon Cooper	Acrisure, LLC/Public Entity Advocates
Tom Narolewski	Assured Partners
Donna Stillwell	
Bob Gemmell	Brown & Brown Metro
Roger Roux	SB One Insurance

IV. Flag Salute

V. Introduction of Guests

There were no introductions.

PUBLIC ALLIANCE INSURANCE COVERAGE FUND

V. Executive Committee Business

A. Approval of the September 14, 2021 Executive Committee’s Open and Closed Meeting Minutes

Motion to approve the September 14, 2021 Executive Committee’s Open and Closed Meeting Minutes.

Moved: Grace Brennan

Seconded: Frank Elenio

Vote: Approved: 3 Abstentions: 2 (G. Brennan, Joseph Kennedy) Nay: 0

B. Reports

1. Chairperson – Cynthia Ege

There was no report.

2. MEL Delegate’s Report – Kevin Davis

Barbara Murphy stated that the MEL had recently adopted its 2022 rate table and budget. She reminded members that may already have the qualifications completed for each individual Tier(s) to submit the checklists for approval of these Tiers as completed to become eligible for those levels’ deductible reimbursements.

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 Status.

a. Bill List

Approval of the Bill list for all Fund Years.

Motion to approve the Bill List for all fund years totaling \$598,642.10.

Moved: Joseph Kennedy

Seconded: Frank Elenio

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. Administrator – Public Entity Group Administrative Services

As per the memorandum included in the agenda package.

a. Return of Surplus

The administrator asked for members for their thoughts regarding holding a potential return of surplus discussion at the December meeting. Discussion ensued and the consensus was to review and consider a conservative approach to help offset members’ budget increases.

7. Loss Control Specialist – Partnership Safety Consultants

Michael Niznik gave an update on his activities and member loss control visits.

8. Claims Servicing Organization – Highland Claim Services, Inc.

There was no report.

9. Managed Care Services – Medlogix

As per the report included in the agenda package.

C. Old Business

There was no old business.

PUBLIC ALLIANCE INSURANCE COVERAGE FUND

D. New Business

1. Public Hearing and Budget Adoption

Barbara Murphy stated that the 2021 budget was revised to reflect changes in member exposures.

- a. **Motion** to open the public hearing on the 2021 Fund Year Budget Revision #1

Moved: Joseph Kennedy

Seconded: Frank Elenio

Vote: Approved: Unanimous Nay:

- b. **Motion** to close the public hearing and adopt the 2021 Fund Year Budget Revision #1

Moved: Joseph Kennedy

Seconded: Grace Brennan

Vote: Approved: Unanimous Nay:

2. Introduction of the 2022 Fund Year Budget and Certifying the Assessments

Barbara Murphy reviewed the 2022 fund year budget distributed prior to the meeting. She stated that the aggregate loss fund contingency was established beginning with the 2016 fund year to fund any potential additional assessment if claims exceeded 85% of expected claims fund as billed in accordance with the MEL's retrospective rating and premium plan. She further stated that the MEL had instituted a surplus floor "trigger" which provided that the MEL would levy an additional supplementary assessment in order that the Fund's statutory surplus for all fund years combined would be not less than 12.5% of unpaid reserves, including IBNR. She stated that the surplus floor provision had been triggered, due in part to the retrospective rating and premium plan, and that the plan would be eliminated for the 2022 fund year. She recommended using a portion of the aggregate loss fund contingency monies to offset the payment due from the surplus floor trigger and the addition of the workers' compensation pension offset funding line item.

Motion to introduce the 2022 Fund Year Budget and Certify the Assessments.

Moved: Frank Elenio

Seconded: Grace Brennan

Vote: Approved: Unanimous Nay:

3. Resolution 2021-29 Adopting an Amended Risk Management Plan

Michaelene Miller stated that the 2022 risk management plan had been amended to reflect a change in members' premises pollution retention from \$10,000 to \$50,000 and the Fund's retention from \$50,000 to \$100,000.

Motion to approve resolution 2021-29 adopting an amended risk management plan.

Moved: Frank Elenio

Seconded: Joseph Kennedy

Vote: Approved: Unanimous Nay:

E. Public Comment

There was no public comment.

F. Claims Subcommittee Report

Motion to ratify the October 12, 2021 Claims Subcommittee Meeting Minutes.

Moved: Frank Elenio

Seconded: Grace Brennan

Vote: Approved: Unanimous Nay:

PUBLIC ALLIANCE INSURANCE COVERAGE FUND

G. Closed Session

1. **Motion** to adjourn open session.

Moved: Frank Elenio

Seconded: Joseph Kennedy

Vote: Approved: Unanimous Nay:

Open Session was adjourned at 10:29 a.m.

2. **Motion** to adjourn closed session.

Moved: Grace Brennan

Seconded: Joseph Kennedy

Vote: Approved: Unanimous Nay:

Closed Session was adjourned at 10:34 a.m.

3. Claims Payment Authorizations Established in Closed Session

Motion to approve claim payments and authorize actions established in Closed Session.

Moved: Joseph Kennedy

Seconded: Frank Elenio

Vote: Approved: 3 Abstentions: 2 (F. Elenio, Joseph Kennedy) Nay:0

H. Adjournment

Motion to adjourn the meeting.

Moved: Michael Zichelli

Seconded: Joseph Kennedy

Vote: Approved: Unanimous Nay:

The meeting was adjourned at 10:40 a.m.

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

Respectfully submitted,

Authorized Signature