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**PUBLIC ALLIANCE INSURANCE COVERAGE FUND**

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**EXECUTIVE COMMITTEE'S MEETING MINUTES  
May 10, 2022**

**I. Call to Order – Cynthia Ege, Chairperson**

The meeting was called to order via zoom at 9:33 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	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. 9:36)	Glen Ridge Borough	Present
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Fund Commissioners Present

Melanie Slowik	Winfield Township
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Also Present

Jeff Herb	Alpha Borough
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
Adam Giaquinto	
Robert Granata	Highland Claim Services, Inc.
Lisa Pflug	
Michael Niznik	Partnership Safety Consultants
Shawn Gillon	Withum, Smith & Brown
Sharon Cooper	Acrisure LLC/Public Entity Advocates
Bob Gemmell	Brown & Brown Metro, LLC
Diana Purcell	CBIZ Insurance Services, dba CBIZ Borden Perlman
Christine Cristadoro	USI Insurance Services
Genevieve Crowthers	Assured Partners

**IV. Introduction of Guests**

There were no introductions.

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**V. Executive Committee Business**

**A. Approval of the January 11, 2022 Fund Commissioners' Reorganization, Executive Committee's Reorganization and Closed Meeting Minutes.**

*Motion* to approve the January 11, 2022 Fund Commissioners' Reorganization, Executive Committee's Reorganization and Closed Meeting Minutes.

**Moved:** Frank Elenio

**Seconded:** Joseph Kennedy

**Vote:** Approved: Unanimous Nay:

**B. Reports**

**1. Chairperson – Cynthia Ege**

There was no report.

**2. MEL Delegate's Report – Kevin Davis**

**a. Budget CAP Relief – Sample Town Resolution**

Kevin Davis referred to the sample resolution included in the agenda package. He stated that increasing costs, changing regulations, policy decisions and environmental impacts were affecting public entity budgets at a rate far greater than the allowable 2.5% budget increase. He also stated that the resolution was a sample that could be adopted by members and sent to their legislative representative. He stated that it asks that N.J.S.A. 40A:4-45 be amended to provide that appropriations in the first three years after the effective date of an approved amendment for liability insurance, worker's compensation insurance, cyber insurance, and property insurance be exempt from the Budget CAP and the Levy CAP Law 40A:4-45.44 through 45.47 treating these costs as a waiver of extraordinary costs for amounts above the 2.5% allowable increase.

**b. Resolution 2022-23 – Evidencing Intent to Join NJ Cyber Risk Management Fund**

Barbara Murphy referred to the resolution included in the agenda package. She stated that the MEL had formed a taskforce to explore the establishment of a Cyber Risk Management Fund for the purpose of providing cyber risk coverage. She also stated that this was in an effort to address the current changes anticipated in the availability of coverage and changing terms in the commercial cyber liability insurance markets. She further stated that the initial application for approval by the Department of Banking and Insurance must be accompanied by resolutions from at least two local units evidencing their intent to join the Fund and that this resolution was non-binding for membership.

*Motion* to resolution 2022-23 evidencing intent to join the NJ Cyber Risk Management Fund.

**Moved:** Kevin Davis

**Seconded:** Grace Brennan

**Vote:** Approved: Unanimous Nay:

**2. Secretary – Grace Brennan**

There was no report.

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

As per the report included in the agenda package.

**4. Actuarial Report as of 12/31/21 – 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.

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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, 2021 valuation date, the total case reserves and IBNR reserves were \$3,847,403.

**5. Financial Report – Withum, Smith & Brown – Shawn Gillon**

a. PAIC Financial Report as of 12/31/21

Shawn Gillon presented the financial report distributed at the meeting. He stated that the balance sheet shows assets of \$20,413,038 and a fund surplus of \$13,886,985. He further stated that there were no audit comments or recommendations and no deficiencies or weaknesses found for the Fund.

**Motion** to approve Resolution 2021-24 Certifying the Review of the Annual Audit.

**Moved:** Joseph Kennedy

**Seconded:** Frank Elenio

**Vote:** Approved: Unanimous                      Nay:

**6. 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 \$2,587,157.51.

**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.

Barbara Murphy stated that the finance subcommittee had recently met with PFM, the Fund’s asset managers, to review investment considerations including NJ/TERM, which is a fixed rate, fixed term investment that could potentially increase returns. She stated that the program would be in accordance with the Fund’s cash management plan.

**7. Administrator - Public Entity Group Administrative Services**

As per the memorandum included in the agenda package.

**8. Loss Control Specialist – Partnership Safety Consulting**

As per the report included in the agenda package.

**9. Managed Care Services – Medlogix**

As per the report included in the agenda package.

**C. Old Business**

There was no old business.

**D. New Business**

There was no new business.

**E. Public Comment**

There was no public comment.

**F. Claims Sub-Committee Report**

1. **Motion** to ratify the February 7, 2022 and April 14, 2022 Claims Sub-Committee Meeting Minutes.

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**Moved:** Joseph Kennedy  
**Seconded:** Frank Elenio  
**Vote:** Approved: Unanimous Nay:

**G. Closed Session**

1. ***Motion*** to adjourn open session.  
**Moved:** Frank Elenio  
**Seconded:** Kevin Davis  
**Vote:** Approved: Unanimous Nay:  
Open Session was adjourned at 10:10 a.m.
2. ***Motion*** to adjourn closed session.  
**Moved:** Grace Brennan  
**Seconded:** Frank Elenio  
**Vote:** Approved: Unanimous Nay:  
Closed Session was adjourned at 10:14 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: Unanimous Nay:

**VI. Adjournment**

**Moved:** Grace Brannen  
**Seconded:** Frank Elenio  
**Vote:** Approved: Unanimous Nay:  
The meeting was adjourned at 10:15 a.m.

The next meeting will be held on **September 13, 2022** at 9:30 a.m.

Respectfully submitted,

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Authorized Signature