

---

**PUBLIC ALLIANCE INSURANCE COVERAGE FUND**

---

**EXECUTIVE COMMITTEE’S MEETING MINUTES  
May 9, 2023**

**I. Call to Order – Kevin Davis, Vice Chairperson**

The meeting was called to order via zoom at 9:34 a.m. by Vice Chairperson Davis.

**II. Open Public Meetings Statement – Kevin Davis, Vice Chairperson**

The Open Public Meetings Act was read by Vice Chairperson Davis.

**III. Flag Salute and Moment of Silence**

**III. Roll Call**

<u>Executive Committee</u>		<u>Attendance</u>
Michael Zichelli	Glen Ridge Borough	Present
Kevin Davis	Hunterdon County	Present
Cynthia Ege	City of Lambertville	Absent
Frank Elenio	Ridgefield Borough	Present
Grace Brennan	Union Township	Absent

Executive Committee - Alternates

Melanie Slowik	Winfield Township	Present
----------------	-------------------	---------

Also Present

Joseph Roth	Belvidere Township
Jeffrey Herb	White Township
Chuck Hartsoe	PEGAS
Barbara Murphy	PEGAS/Risk & Loss Managers, Inc.
Michaelene Miller	
M. Paige Berry	Saul Ewing LLP
Kyle Mrotek	The Actuarial Advantage
Adam Giaquinto	Medlogix
Robert Granata	Highland Claim Services, Inc.
Lisa Pflug	
Michael Niznik	Partnership Safety Consultants
Marty Hammond, Jr.	PFM Asset Management/NJRM
Zach O’Grady	
Shawn Gillon	Withum, Smith & Brown
Greg Della Pia	Treasurer
Sharon Cooper	Acrisure LLC/Public Entity Advocates
Bob Gemmell	Brown & Brown Metro, LLC
Lisa Pfenninger	Lisa Pfenninger Insurance

**IV. Introduction of Guests**

There were no introductions.

---

**PUBLIC ALLIANCE INSURANCE COVERAGE FUND**

---

**V. Executive Committee Business**

**A. Approval of the January 10, 2023 Fund Commissioners' Reorganization, Executive Committee's Reorganization and Closed Meeting Minutes.**

**Motion** to approve the January 10, 2023 Fund Commissioners' Reorganization, Executive Committee's Reorganization and Closed Meeting Minutes.

**Moved:** Frank Elenio

**Seconded:** Melanie Slowik

**Vote:** Approved: Unanimous    Nay:

**B. Reports**

**1. Chairperson – Cynthia Ege**

There was no report.

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

There was no report.

**3. Cyber JIF Delegate – Frank Elenio**

Frank Elenio stated that the Cyber JIF delegates were continuing discussions on the recent responses to the Request for Proposals for vendor services and interviews for phishing, training and external scanning services. He stated that an extension of the 1/1/2024 deadline for the completion of the updated Cyber JIF risk management program checklist was also being considered.

**4. Secretary – Grace Brennan**

There was no report.

**5. Attorney – Saul Ewing LLP – M. Paige Berry**

As per the report included in the agenda package.

a. Policy for Public Participation

The fund attorney referred to a draft policy for public participation, included in the agenda package. She stated that the Fund did not currently have a policy in place and asked members for their thoughts on the proposed policy. Discussion ensued and the consensus was to adopt the proposed policy as presented.

**Motion** to approve the Policy for Public Participation as presented.

**Moved:** Melanie Slowik

**Seconded:** Michael Zichelli

**Voted:** Approved: Unanimous    Nay:

b. Resolution 2023-25 Approving Amended Litigation Management Plan

The fund attorney stated that the Fund's litigation management plan had not been updated since 2009. She stated that the plan was updated to reflect the increased use of emails to assign and communicate with defense counsel on claims and litigation matters.

**Motion** to approve resolution 2023-25 approving an amended litigation management plan.

**Moved:** Frank Elenio

**Seconded:** Melanie Slowik

**Voted:** Approved: Unanimous    Nay:

**6. Actuarial Report as of 12/31/22 – The Actuarial Advantage – Kyle Mrotek**

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.

---

**PUBLIC ALLIANCE INSURANCE COVERAGE FUND**

---

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, 2022 valuation date, the total case reserves and IBNR reserves were \$5,641,862.

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

a. PAIC Financial Report as of 12/31/22

Shawn Gillon presented the financial report distributed at the meeting. He stated that the balance sheet shows assets of \$19,596,510 and a fund surplus of \$12,106,472. He further stated that there were no audit comments or recommendations and no deficiencies or weaknesses found for the Fund.

Barbara Murphy stated that the financial statement provided a comment regarding a MEL supplemental assessment in the amount of \$499,585 reflected as excess insurance premiums of \$252,286 and \$247,299 in fund years 2021 and 2020, respectively. She further stated that the years impacted may be adjusted to be reflected in the years they were incurred as claims are settled. She also stated that no payments would be made until the 2024 fund year and that the number most likely would change.

**Motion** to approve Resolution 2023-24 Certifying the Review of the Annual Audit.

**Moved:** Melanie Slowik

**Seconded:** Frank Elenio

**Vote:** Approved: Unanimous                      Nay:

**6. Investment Manager – PFM Asset Management**

As per the report distributed at the meeting.

Marty Hammond and Zach O’Grady reviewed a report on the Fund’s investment performance for the quarter ended March 31, 2023. They provided a market summary, checking and investment account summary and a review of the Fund’s portfolio.

**7. 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 \$3,280,146.22.

**Moved:** Frank Elenio

**Seconded:** Melanie Slowik

**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.

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

As per the memorandum included in the agenda package.

a. Property Insurance Appraisals

Barbara Murphy stated that, with the recent increase in natural disasters contributing to a hardening of the property insurance marketplace, the MEL had discussed local JIFs performing on site property appraisals for members without current appraisals to bring members’ property values to current. She stated that the last fund member appraisals were performed in 2010.

---

**PUBLIC ALLIANCE INSURANCE COVERAGE FUND**

---

Discussion ensued and the consensus was to authorize the administrator's office to issue a request for proposals for property appraisal services.

**Motion** to approve the authorization of the administrator's office to issue a request for proposals for property appraisal services.

**Moved:** Michael Zichelli

**Seconded:** Frank Elenio

**Voted:** Approved: Unanimous      Nay:

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

Michael Niznik provided a verbal update to his recent loss control activities.

**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**

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, 2023, March 7, 2023 and April 11, 2023 Claims Sub-Committee Meeting Minutes.

**Moved:** Melanie Slowik

**Seconded:** Kevin Davis

**Vote:** Approved: Unanimous      Nay:

**G. Closed Session**

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

**Moved:** Frank Elenio

**Seconded:** Melanie Slowik

**Vote:** Approved: Unanimous      Nay:

Open Session was adjourned at 10:46 a.m.

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

**Moved:** Melanie Slowik

**Seconded:** Frank Elenio

**Vote:** Approved: Unanimous      Nay:

Closed Session was adjourned at 10:49 a.m.

3. Claims Payment Authorizations Established in Closed Session

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

**Moved:** Melanie Slowik

**Seconded:** Michael Zichelli

**Vote:** Approved: Unanimous      Nay:

**VI. Adjournment**

**Moved:** Melanie Slowik

**Seconded:** Frank Elenio

**Vote:** Approved: Unanimous      Nay:

The meeting was adjourned at 10:50 a.m.

**PUBLIC ALLIANCE INSURANCE COVERAGE FUND**

---

The next meeting will be held on **September 12, 2023** at 9:30 a.m.

Respectfully submitted,

\_\_\_\_\_  
Authorized Signature