
PUBLIC ALLIANCE INSURANCE COVERAGE FUND

**EXECUTIVE COMMITTEE’S MEETING MINUTES
May 14, 2024**

I. Call to Order – Cynthia Ege, Chairperson

The meeting was called to order 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

IV. Roll Call

<u>Executive Committee</u>		<u>Attendance</u>
Michael Zichelli	Glen Ridge Borough	Present
Brad Myhre	Hunterdon County	Present
Cynthia Ege	City of Lambertville	Present
Frank Elenio	Ridgefield Borough	Present
Grace Brennan	Union Township	Absent
 <u>Executive Committee - Alternates</u>		
Melanie Slowik	Winfield Township	Present

Also Present

Michael Schwar	Alpha Borough
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.
Marty Hammond, Jr.	PFM Asset Management/NJARM
Mark Worthington	T&M Associates
Fran Domitrowski	Withum, Smith & Brown
Greg Della Pia	Treasurer
Bob Gemmell	Brown & Brown Metro, LLC
Jamie Rick	LaFontaine and Budd, Inc.
Lisa Pfenninger	Lisa Pfenninger Insurance
Patrick Zerpa	Marsh McLennan Agency LLC
Curtis Bagby	
Brian Lau	D2 Cyber Security
Alex Leonard	

V. Introduction of Guests

Curtis Bagby, Marsh McLennan Agency, LLC, Marty Hammon, PFM Asset Management/NJARM, Fran Domitrowski, Withum, Smith & Brown and Brian Lau and Alex Leonard of D2 Cybersecurity introduced themselves.

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VI. Executive Committee Business

A. Approval of the January 16, 2024 Fund Commissioners' Reorganization, Executive Committee's Reorganization and Closed Meeting Minutes.

Motion to approve the January 16, 2024 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 – Frank Elenio

Frank Elenio stated that a special meeting was being held later today to discuss the positions of Treasurer, QPA and Southern NJ Marketing Consultant.

3. Cyber JIF Delegate – Frank Elenio

Frank Elenio stated that there would be an information session held on May 20th with a detailed review of the updated Cyber JIF Compliance Checklist to be presented by representatives of the NJ Cyber JIF.

a. D2 Cyber Security – Brian Lau and Alex Leonard

Brian Lau and Alex Leonard provided an update on the Fund members' employee security awareness training, phishing and external vulnerability scanning and testing. He stated that the employee participation rate for PAIC's members was approximately 68%, with an approximate training completion rate of 32%. He stated that the training was due by June 30, 2024.

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.

6. Actuarial Report as of 12/31/23 – The Actuarial Advantage – Kyle Mrotek

Kyle Mrotek 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, 2023 valuation date, the total case reserves and IBNR reserves were \$5,615,043.

7. Financial Report – Withum, Smith & Brown – Fran Domitrowski

a. PAIC Financial Report as of 12/31/23

Fran Domitrowski presented the financial report distributed at the meeting. He stated that the balance sheet shows assets of \$20,524,217 and a fund surplus of \$12,840,196. He further stated that there were no audit comments or recommendations and no deficiencies or weaknesses found for the Fund.

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Motion to approve Resolution 2024-25 Certifying the Review of the Annual Audit.

Moved: Melanie Slowik

Seconded: Frank Elenio

Vote: Approved: Unanimous Nay:

8. Investment Manager – PFM Asset Management

As per the included in the agenda package.

Marty Hammond reviewed a report on the Fund’s investment performance for the quarter ended March 31, 2024. He provided a market summary, checking and investment account summary and a review of the Fund’s portfolio.

9. 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 \$1,879,685.76.

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.

10. Administrator - Public Entity Group Administrative Services

As per the memorandum included in the agenda package.

a. Return of Surplus

The administrator reviewed the financial fast track included in the agenda package.

Barbara Murphy stated that, with the 12/31/23 audited financial statement now being approved, the finance subcommittee would be convening shortly to discuss a recommendation for a return of surplus.

11. Loss Control Specialist – T&M Associates

Mark Worthington provided a verbal update on his recent loss control activities. He stated that he would be attending members’ local safety committee meetings. He also stated that he had distributed a round of first quarter toolbox talks.

12. 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 6, 2024, March 5, 2024 and April 11, 2024 Claims Sub-Committee Meeting Minutes.

Moved: Melanie Slowik

Seconded: Frank Elenio

Vote: Approved: Unanimous Nay:

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G. Closed Session

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

Moved: Frank Elenio

Seconded: Brad Myhre

Vote: Approved: Unanimous Nay:

Open Session was adjourned at 10:36 a.m.

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

Moved: Melanie Slowik

Seconded: Frank Elenio

Vote: Approved: Unanimous Nay:

Closed Session was adjourned at 10:41 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 10:43 a.m.

The next meeting will be held on **September 10, 2024** at 9:30 a.m.

Respectfully submitted,

Authorized Signature