

SCHOOL ALLIANCE INSURANCE FUND

BOARD OF TRUSTEES' MEETING MINUTES

December 6, 2018

I. Call to Order – Gail Woickowski, Chairperson

The meeting was called to order at 12:11 p.m. by Chairperson Woickowski.

II. Open Public Meetings Statement – Gail Woickowski, Chairperson

The Open Public Meeting Act was read by Chairperson Woickowski.

III. Roll Call

Board of Trustees

		<u>Attendance</u>
Thomas Egan	Cinnaminson Board of Education	Present
Barbara Decker	Franklin Borough Board of Education	Present
Patricia Martucci	Franklin Township Board of Education	Present
Gail Woickowski	Hackettstown Board of Education	Present
Staci Horne	Phillipsburg Board of Education	Absent
Joseph Kelly	Rutherford Board of Education	Present
Steve Terhune	Southern Regional Board of Education	Present
Steve Kepnes	Vernon Board of Education	Present
Jenine Murray	Wood-Ridge Board of Education	Present

Board of Trustees - Alternates

Lynn Coates	Manasquan Board of Education	Absent
Samantha Dembowski	North Arlington Board of Education	Present
Sara Winchester	Ocean County College	Absent

Fund Commissioners Present

Tanya Nalesnik	Hunterdon County Vocational School District
----------------	---

Also Present

Chuck Hartsoe	PEGAS
Barbara Murphy	PEGAS/Risk and Loss Managers, Inc.
Craig Klein	
Michael Solomon	The Actuarial Advantage
Bob Granata	Highland Claim Services
Linda Wehner	
Mike Niznik	Partnership Safety Consultants
Fran Domitrowski	Withum, Smith & Brown
Shannon Balken	Balken Risk Management
John Latimer	Barclay Group
Tim Latimer	
Bob Gemmell	Brown & Brown Metro
Al Kirk	Conner Strong & Buckelew
Lisa Pfenninger	Lisa Pfenninger Insurance
Sharon Cooper	Public Entity Advocates
Joseph Ognibene	Public Risk Group
Michael Sabbagh	Richland Knowles Agency
Jim Malkiewicz	Van Dyk Group
Michael McGrath	

IV. Introduction of Guests

There were no introductions.

V. Minutes

A. Approval of the October 24, 2018 Fund Commissioners' & Board of Trustees' Reorganization Meeting Minutes

Motion to approve the October 24, 2018 Fund Commissioners' and Board of Trustees' Reorganization Meeting Minutes.

Moved: Joe Kelly

Seconded: Steve Terhune

Vote: Approved: Unanimous Nay: Abstain: P. Martucci, B. Decker

VI. Reports

A. Chairperson - Gail Woicekowski

The Chairperson advised the Safety and Education Advisory Committee still has two vacancies to fill. The Risk Management Consultants were requested to advise the administrator's office of any fund commissioners interested in serving.

B. Secretary - Joseph Kelly

There was no report.

C. Safety and Education Advisory Committee

The administrator advised the Safety and Education Advisory Committee meeting scheduled prior to the Board of Trustees meeting had been canceled due to scheduling conflicts. The next Safety and Education Advisory Committee meeting will be held March 21, 2019 as scheduled.

D. Attorney's Report - Saul Ewing Arnstein & Lehr, LLP

1. Monthly Report

The report was included in the agenda packet.

E. Treasurer's Report - Barbara Murphy

The Administrator presented the Treasurer's Report and Bill List.

1. Approval of the Treasurer's Report and Bill List for all fund years.

Motion to approve the Treasurer's Report and Bill List for all fund years totaling \$5,527,445.30.

Moved: Steve Terhune

Seconded: Patricia Martucci

Vote: Approved: Unanimous Nay:

2. Actuarial Report for year ending June 30, 2018

Actuarial Advantage - Michael Solomon

Michael Solomon presented the actuarial report, explaining that the purpose of the report is to analyze the Fund's net losses and allocated loss adjustment expense reserves and to project ultimate net losses. Michael commented that the incurred but not reported (IBNR) reserve is a provision that takes into account the emergence of unknown claims, development of known claims and the reopening

SCHOOL ALLIANCE INSURANCE FUND

of closed claims. He also stated that as of the June 30, 2018 valuation date, the total IBNR and case reserves for all fund years was \$29,714,964.

3. Financial Report for year ending June 30, 2018

Withum, Smith + Brown - Fran Domitrowski

Fran Domitrowski presented the audited financial statement as of June 30, 2018. She stated the cumulative balance sheet, page five, shows assets of \$45,062,979, liabilities of \$32,630,042 and a surplus of \$12,432,937. She reported that net income, page six, for the year ending June 30, 2018 was \$2,305,564. She also stated the financial statements are presented in accordance with generally accepted accounting principles and that there were no recommendations noted.

Motion to approve Resolution 18-17 Certifying Review of Annual Audit Report.

Moved: Steve Terhune

Seconded: Tom Egan

Vote: Approved: Unanimous Nay:

The administrator requested that all Trustees in attendance sign the Certification of the Governing Body which states the Trustees have reviewed the annual audit filed with the fund's secretary for year ending June 30, 2018 and are familiar with the sections of the annual report titled General Comments and Recommendations.

F. Administrator - Public Entity Group Administrative Services - Chuck Hartsoe

1. Summary of Topics

a. 2018/2019 Fund Year New Business

The administrator stated that East Newark Board of Education has submitted an application for consideration of membership in the Fund. It was also noted the insured's Business Administrator is familiar with the SAIF program due to serving as a SAIF fund commissioner for another SAIF member previously.

The Trustees were requested to approve East Newark Board of Education as a member contingent upon meeting the Fund's underwriting/loss control criteria.

Motion to approve East Newark Board of Education as a member of SAIF.

Moved: Steve Terhune

Seconded: Joe Kelly

Vote: Approved: Unanimous Nay:

b. 2nd Installment of Assessment

c. 2019/2020 Fund Year Program

The administrator reported preliminary work for the 2019/2020 fund year had begun and budget guidance will be provided to members as soon as practical.

d. StopIt Program

The administrator reported the program is designed to be a simple, fast solution to reporting inappropriate behavior.

SCHOOL ALLIANCE INSURANCE FUND

- e. SafeSchools Online Training Program
The administrator reminded all present that SafeSchools Online Training is available to member districts. The administrator reported newly required bus aide training is available through the SafeSchools program.

G. Loss Control Specialist - Partnership Safety Consultants – Mike Niznik
Mike Niznik reviewed the loss control activity report for the first quarter.

H. Managed Care Organization - Qual-Lynx
Lisa Gallo presented the Activity Report and Bill Review Services report distributed at the meeting.

I. Claims Servicing Organization - Highland Claim Services Inc.
There was no report.

VII. Old Business
There was no old business.

VIII. New Business

A. **Motion** to Open the Public Hearing on the 2017/2018 Fund Year Budget Revision #1.
Moved: Steve Terhune
Seconded: Joe Kelly
Vote: Approved: Unanimous Nay:

B. **Motion** to Close the Public Hearing and adopt the 2017/2018 Fund Year Budget Revision #1.
Moved: Tom Egan
Seconded: Steve Terhune
Vote: Approved: Unanimous Nay:

C. **Motion** to Introduce the 2017/2018 Fund Year Budget Revision #2.
Moved: Steve Terhune
Seconded: Joe Kelly
Vote: Approved: Unanimous Nay:

D. **Motion** to Open the Public Hearing on the 2018/2019 Fund Year Budget.
Moved: Steve Terhune
Seconded: Joe Kelly
Vote: Approved: Unanimous Nay:

E. **Motion** to Close the Public Hearing and adopt the 2018/2019 Fund Year Budget.
Moved: Tom Egan
Seconded: Steve Terhune
Vote: Approved: Unanimous Nay:

IX. Public Comment
There was no public comment.

SCHOOL ALLIANCE INSURANCE FUND

X. Closed Session

Motion to adjourn to Closed Session.

Moved: Steve Terhune

Seconded: Tom Egan

Vote: Approved: Unanimous Nay:

Open Session adjourned at 12:38 p.m.

Motion to resume Open Session.

Moved: Steve Terhune

Seconded: Tom Egan

Vote: Approved: Unanimous Nay:

Open Session resumed at 1:00 p.m.

XI. Open Session Resumes

Motion to approve payment authorization requests presented and other actions established in closed session.

Moved: Steve Terhune

Seconded: Patricia Martucci

Vote: Approved: Unanimous Nay:

XII. Claims Sub-Committee Report

A. Ratification of the Claims Sub-Committee's November 13, 2018 Meeting Minutes.

Motion to ratify the Claim Sub-Committee's November 13, 2018 Meeting Minutes.

Moved: Tom Egan

Seconded: Steve Terhune

Vote: Approved: Unanimous Nay:

XIV. Adjournment

Motion to adjourn the meeting.

Moved: Steve Terhune

Seconded: Joe Kelly

Vote: Approved: Unanimous Nay:

The meeting was adjourned at 1:02 p.m.

The next meeting will be held on **Thursday, March 21, 2019** immediately following lunch at the **Hampton Inn, Flemington, NJ**. Lunch will be served at 11:45 a.m.

Respectfully Submitted,



Authorized Signature