

SCHOOL EXCESS LIABILITY FUND

**REORGANIZATION MEETING MINUTES
October 25, 2017**

I. Call to Order - Robert Carfagno

The meeting was called to order at 11:05 a.m. by Robert Carfagno.

II. Open Public Meeting Statement - Robert Carfagno

The Open Public Meeting Act was read by Robert Carfagno.

III. Roll Call

Fund Commissioners

		<u>Attendance</u>
Robert Carfagno	Diploma Joint Insurance Fund	Present
Kimberly Clelland	Diploma Joint Insurance Fund	Present
Thomas Egan	School Alliance Insurance Fund	Present
Gail Woicekowski	School Alliance Insurance Fund	Absent

Alternate Fund Commissioners

Donald Sternberg	Diploma Joint Insurance Fund	Present
Steve Terhune	School Alliance Insurance Fund	Absent

Also Present:

Barbara Murphy	Risk & Loss Managers, Inc.
Craig Klein	
Willard R. Young, 3rd	PEGAS
Chuck Hartsoe	
M. Paige Berry	Saul Ewing Arnstein & Lehr, LLP
Eric Bause	Actuarial Advantage
Robert Granata	Highland Claim Services
Lisa Pflug	
Linda Wehner	
Paul Kuhl	Withum, Smith + Brown

IV. Introduction of Guests

Everyone in attendance introduced themselves.

V. General Fund Business

A. Resolution 17-01 Authorizing the Election of the Fund's Officers/Board of Trustees' and Alternate Trustees'

Motion to approve Resolution 17-01 Authorizing the Election of the Fund's Officers, Board of Trustees and Alternate Trustees.

Moved: Tom Egan

Seconded: Kim Clelland

Vote: Approved: Unanimous Nay:

Robert Carfagno asked if there were any nominations from the floor for Chairperson. Donald Sternberg nominated Robert Carfagno as Chairperson.

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Motion to nominate Robert Carfagno as Chairperson.

Moved: Don Sternberg

Seconded: Tom Egan

Vote: Approved: Unanimous Nay:

Robert Carfagno nominated Tom Egan for Vice-Chairperson.

Motion to nominate Thomas Egan for Vice-Chairperson.

Moved: Robert Carfagno

Seconded: Donald Sternberg

Vote: Approved: Unanimous Nay:

Robert Carfagno nominated Kim Clelland as Secretary, Gail Woicekowski as Trustee and Steve Terhune and Don Sternberg Alternate Trustees.

Motion to nominate Kim Clelland as Secretary, Gail Woicekowski as Trustee and Steve Terhune and Donald Sternberg as Alternate Trustees.

Moved: Kim Clelland

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

VI. Board of Trustees' Business

A. Approval of the June 14, 2017 Board of Trustees' Open and Board of Trustees' Closed Meeting Minutes

Motion to approve the June 14, 2017 Board of Trustees' Open and Board of Trustees' Closed Meeting Minutes.

Moved: Kimberly Clelland

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

B. Reports

1. Chairperson – Robert Carfagno

There was no report.

2. Secretary-Kimberly Clelland

There was no report.

3. Attorney's Report – Saul Ewing Arnstein & Lehr, LLP

The fund attorney presented the following resolutions.

1. Resolutions 17-02 through 17-11

a. Appointment of Service Providers

Resolution 17-02 Appointing Service Providers for the 2017/2018 fund year.

(1) Actuary-The Actuarial Advantage

(2) Attorney-Saul Ewing Arnstein & Lehr, LLP

(3) Auditor-Withum, Smith + Brown

(4) Claims Servicing-Highland Claim Services, Inc.

(5) Custodian of Funds-Kenneth MacMillan

(6) Investment Manager-PFM Asset Management, LLC

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- b. Resolution 17-03 Authorizing the Execution of Contracts with Service Providers for the 2017/2018 fund year.
 - (1) Actuary-The Actuarial Advantage
 - (2) Attorney-Saul Ewing Arnstein & Lehr, LLP
 - (3) Auditor-Withum, Smith + Brown
 - (4) Claims Servicing-Highland Claim Services, Inc.
 - (5) Custodian of Funds-Kenneth MacMillan
 - (6) Investment Manager-PFM Asset Management, LLC
- c. Resolution 17-04 Designating the Administrator as Agent to Receive Service of Process on Behalf of the Fund and Designation of the Official Place Where the Records and Books of the Fund Shall be Maintained.
- d. Resolution 17-05 Designating the Appointment of the Fund's Public Agency Compliance Officer.
- e. Resolution 17-06 Adopting the Cash Management Plan for the 2017/2018 fund year.
- f. Resolution 17-07 Designating the Official Depositories of the Fund.
- g. Resolution 17-08 Designating the Individuals as the Fund's Signatories for the 2017/2018 fund year.
- h. Resolution 17-09 Adopting the Meeting Place, Schedule, and Official Newspapers for the 2017/2018 fund year.
- i. Resolution 17-10 Appointing Highland Claim Services, Inc., as a Certifying and Approving Officer.
- j. Resolution 17-11 Appointing the Claims Committee as a Certifying and Approving Officer.

Motion to approve Resolutions 17-02 through 17-11.

Moved: Thomas Egan

Seconded: Kimberly Clelland

Vote: Approved: Unanimous Nay:

The Chairperson appointed the following Trustees to serve on the finance sub-committee: Thomas Egan and Robert Carfagno - Chairperson. The Chairperson appointed the following to serve on the claims sub-committee: Kimberly Clelland as Chairperson, and Thomas Egan with Steve Terhune alternate.

C. Treasurer's Report-Robert Carfagno

The Chairperson 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 \$13,466,040.66.

Moved: Thomas Egan

Seconded: Kimberly Clelland

Vote: Approved: Unanimous Nay:

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2. Actuarial Report for year ending June 30, 2017-Actuarial Advantage
Eric Bause 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. He stated as of June 30, 2017 valuation date the total loss and allocated loss adjustment expense reserves including IBNR for all fund years was \$14,724,372.

3. Financial Report for year ending June 30, 2017-Withum, Smith + Brown
Paul Kuhl presented the financial report which was distributed at the meeting. He stated that the cumulative balance sheet, on page 3, shows assets of \$18,078,834, liabilities of \$14,937,813 and a surplus of \$3,141,021. Net income, page 4, for the year ending June 30, 2017 was \$1,618,151. He 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 17-12 Certifying Review of Annual Audit Report.

Moved: Thomas Egan

Seconded: Kimberly Clelland

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, 2017 and are familiar with the sections of the annual report titled General Comments and Recommendations.

D. Administrator - Risk and Loss Managers, Inc./Public Entity Group Administrative Services

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.

Moved: Kimberly Clelland

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

B. **Motion** to close the public hearing and adopt the 2017/2018 Fund Year Budget.

Moved: Kimberly Clelland

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

IX. Public Comment

There was no public comment.

X. Closed Session

There was no closed session.

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XI. Claims Sub-Committee Report

A. Ratification of the Claims Sub Committee's July 13, 2017, August 14, 2017, September 11, 2017 Meeting Minutes

Motion to ratify the Claims Sub-Committee's July 13, 2017, August 14, 2017, September 11, 2017 meeting minutes.

Moved: Kimberly Clelland

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

XII. Adjournment

Motion to adjourn the meeting.

Moved: Kimberly Clelland

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

The meeting was adjourned at 11:16 a.m.

The next meeting will be held on **Thursday, December 7, 2017 at 10:00 a.m.** at the **Hampton Inn, Flemington, NJ.**

Respectfully Submitted,


Authorized Signature