

SCHOOL EXCESS LIABILITY FUND

**REORGANIZATION MEETING MINUTES
October 23, 2019**

I. Call to Order - Robert Carfagno

The meeting was called to order at 11:10 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
Don Sternberg	Diploma Joint Insurance Fund	Present
Thomas Egan	School Alliance Insurance Fund	Present
Gail Libby	School Alliance Insurance Fund	Present

Alternate Fund Commissioners

Eric Larson	Diploma Joint Insurance Fund	Absent
Steve Terhune	School Alliance Insurance Fund	Absent

Others 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	The Actuarial Advantage
Robert Granata	Highland Claim Services
Lisa Pflug	
Linda Wehner	
Fran Domitrowski	Withum, Smith + Brown

IV. Introduction of Guests

There were no introductions.

V. General Fund Business

A. Resolution 19-01 Authorizing the Election of the Fund's Officers/Board of Trustees and Alternate Trustees.

Motion to approve Resolution 19-01 Authorizing the Election of the Fund's Officers, Board of Trustees and Alternate Trustees.

Moved: Thomas Egan

Seconded: Gail Libby

Vote: Approved: Unanimous Nay:

Robert Carfagno nominated the current slate of Officers/Board of Trustees' and Alternate Trustees. Robert Carfagno asked for additional nominations, no other nominations were presented.

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Motion to nominate Robert Carfagno as Chairperson, Gail Libby as Vice-Chairperson, Donald Sternberg as Secretary, Thomas Egan as Trustee and Steve Terhune and Eric Larson as Alternate Trustees.

Moved: Thomas Egan

Seconded: Gail Libby

Vote: Approved: Unanimous Nay:

VI. Board of Trustees' Business

A. Approval of the May 22, 2019 Board of Trustees Open Meeting Minutes.

Motion to approve the May 22, 2019 Board of Trustees Open Meeting Minutes.

Moved: Gail Libby

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

B. Reports

1. Chairperson - Robert Carfagno

There was no report.

2. Secretary - Donald Sternberg

There was no report.

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

The fund attorney presented the following resolutions.

1. Resolutions 19-02 through 19-12

a. Appointment of Service Providers

Resolution 19-02 Appointing Service Providers for the 2019/2020 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

b. Resolution 19-03 Authorizing the Execution of Contracts with Service Providers for the 2019/2020 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 19-04 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 19-05 Designating the Appointment of the Fund's Public Agency Compliance Officer.

e. Resolution 19-06 Adopting the Cash Management Plan for the 2019/2020 fund year.

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- f. Resolution 19-07 Designating the Official Depositories of the Fund.
- g. Resolution 19-08 Designating the Individuals as the Fund's Signatories for the 2019/2020 fund year.
- h. Resolution 19-09 Establishment of Interest Rate on Delinquent Assessments.
- h. Resolution 19-10 Adopting the Meeting Place, Schedule, and Official Newspapers for the 2019/2020 fund year.
- i. Resolution 19-11 Appointing Highland Claim Services, Inc., as a Certifying and Approving Officer.
- j. Resolution 19-12 Appointing the Claims Committee as a Certifying and Approving Officer.

Motion to approve Resolutions 19-02 through 19-12.

Moved: Thomas Egan

Seconded: Don Sternberg

Vote: Approved: Unanimous Nay:

The Chairperson appointed the following Trustees to serve on the finance sub-committee: Thomas Egan and Robert Carfagno - Chairperson.

In addition to serving on the finance sub-committee the Chairperson appointed the following to serve on the claims sub-committee: Thomas Egan as Chairperson, and Eric Larson with Steve Terhune alternate.

C. Treasurer's Report - Barbara Murphy

Barbara Murphy 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 \$14,741,987.92.

Moved: Thomas Egan

Seconded: Gail Libby

Vote: Approved: Unanimous Nay:

D. Financial Presentation

- 1. Actuarial Report for year ending June 30, 2019 - The 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, 2019 valuation date the total loss and allocated loss adjustment expense reserves including IBNR for all fund years was \$15,541,973.
- 2. Financial Report for year ending June 30, 2019 - Withum, Smith + Brown
Fran Domitrowski presented the financial report which was distributed at the meeting. She stated that the cumulative balance sheet, on page 3, shows assets of \$21,802,895, liabilities of \$15,678,571 and a surplus of \$6,124,324. Net income, page 4, for the year ending June 30, 2019 was \$752,771. She also stated the financial statements are presented in accordance with generally accepted accounting principles and that there were no recommendations noted.

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3. Resolution Certifying the Annual Audit
Motion to approve Resolution 19-13 Certifying Review of Annual Audit Report.

Moved: Gail Libby

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

4. Certification of Governing Body
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, 2019 and are familiar with the sections of the annual report titled General Comments and Recommendations.

E. 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 2018/2019 Fund Year Budget-Revision #2.

Moved: Thomas Egan

Seconded: Gail Libby

Vote: Approved: Unanimous Nay:

- B. *Motion*** to close the public hearing and adopt the 2018/2019 Fund Year Budget-Revision #2.

Moved: Gail Libby

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

- C. *Motion*** to introduce the 2018/2019 Fund Year Budget-Revision #3.

Moved: Thomas Egan

Seconded: Gail Libby

Vote: Approved: Unanimous Nay:

- D. *Motion*** to open the public hearing on the 2019/2020 Fund Year Budget.

Moved: Gail Libby

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

- E. *Motion*** to close the public hearing and adopt the 2019/2020 Fund Year Budget.

Moved: Thomas Egan

Seconded: Gail Libby

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 December 11, 2018, June 14, 2019, August 12, 2019 and October 17, 2019 Meeting Minutes

Motion to ratify the Claims Sub-Committee's December 11, 2018, June 14, 2019, August 12, 2019 and October 17, 2019 meeting minutes.

Moved: Thomas Egan

Seconded: Gail Libby

Vote: Approved: Unanimous Nay:

XII. Adjournment

Motion to adjourn the meeting.

Moved: Don Sternberg

Seconded: Thomas Egan

Vote: Approved: Unanimous Nay:

The meeting was adjourned at 11:18 a.m.

The next meeting will be held on **Thursday, May 21, 2020 at 11:00 a.m.** via Zoom.

Respectfully Submitted,



Authorized Signature

5-25-20

Date