SOUTH BERGEN VII WORKERS' COMPENSATION POOL
MINUTES
MEETING –JANUARY 21, 2025
ZOOM VIRTUAL MEETING
1:30 P.M.

Meeting called to order by Chairperson Wasserman. Open Public Meeting Act read into Minutes by Chairperson Wasserman.

ROLL CALL OF 2024-25 BOARD OF TRUSTEES:

Chairperson		
Andrea Wasserman	Montvale BOE	Present
Vice-Chair		
Samantha Dembowski	North Arlington BOE	Present
Secretary		
Keith Rosado	Westwood BOE	Present
Trustees		
John Marmora	Emerson BOE	Present
Michael Steinmetz	Fort Lee BOE	Present
Robert Brown	Hasbrouck Heights BOE	Absent
Michael Rinderknecht	Lodi BOE	Present
James Hyman	Lyndhurst BOE	Absent
Laurel Spadavecchia	Moonachie BOE	Present
Alexsandar Kondovski	Palisades Park BOE	Present
Thomas O'Hern	Ramsey BOE	Present
Matthew Whitford	Rutherford BOE	Absent
Susan Cucciniello	South Bergen Jointure Commission	Present
Bert Arifaj	South Hackensack BOE	Absent
Jody Pietrowitz	Wallington BOE	Present
Keith Lisa	Wood-Ridge BOE	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	Perma Risk Management Services **Joseph Hrubash** **Cate Kiernan**	 Present Present
Attorney	**William Bailey, Esq.**	Present
Treasurer	**Dr. Philip Nisonoff**	Present
Underwriting Manager/ Excess WC Broker	Polaris Galaxy **Justin Gallo**	 Present
Claims Services	Bergen Risk Managers **John Markel**	 Present
Actuary	AIS Risk Consultants **Allan Schwartz**	 Absent

OTHERS PRESENT:
Jason Thorpe, PERMA
Pauline Kontomanolis, PERMA
Emalee Cronwell, PERMA
Candy Leonard, PERMA
Jennifer Conicella, PERMA
Steven Krolian, PERMA
Dennis Skalkowski, Bowman & Co.
Kaleigh Sawers, Bowman & Co

APPROVAL OF MINUTES: OPEN MINUTES OF DECEMBER 9, 2024

MOTION TO APPROVE THE OPEN MINUTES OF DECEMBER 9, 2024

MOVED:	Vice-Chair Dembowski
SECOND:	Trustee Kondovski
VOTE:	Unanimous

CORRESPONDENCE

None.

TREASURER

Dr. Nisonoff reported that as previously requested, he conducted a comparison between the investments the Pool currently has with TD Wealth and potential other investment avenues. Dr. Nisonoff advised that during his comparison he reviewed the current rates available through NJ-ARM, their daily yield, and their long-term rates. Dr. Nisonoff reported that the rates being proposed by TD Wealth are higher than NJ-ARM and recommended the Pool keep their investments with TD Wealth. Chair Wasserman thanked Dr. Nisonoff for researching the investment options.

Dr. Nisonoff then referred to the January bills list, Resolution 13-24/25 included in the agenda, and asked if there were any questions. Hearing none, Chair Wasserman asked for a motion to approve.

RESOLUTION 13-24/25 JANUARY VOUCHER PAYMENTS (BILL LIST):

2023-24:	$	31,120.00
2024-25:	$	75,631.28
TOTAL:	**$**	**106,751.28**

MOTION TO ADOPT RESOLUTION 13-24/25 JANUARY VOUCHER LIST AS SUBMITTED:

MOVED:	Trustee Rinderknecht
SECOND:	Trustee Cucciniello
ROLL CALL VOTE:	8 ayes; 0 nays; 3 abstentions
	Secretary Rosado - *Stipend Payment*
	Vice-Chair Dembowski - *Stipend Payment*
	Chair Wasserman - *Stipend Payment*

EXECUTIVE DIRECTOR/ADMINISTRATOR:

2025/2026 BUDGET PROCESS – Executive Director reported that the proposed SOBER Pool 2025/2026 budget is being introduced at this meeting. Executive Director referred to the budget

memorandum, a copy of the proposed budget, and the proposed assessments enclosed within the agenda. Executive Director reported that his office met with the Pool Officers to discuss various budget options and factors affecting the budget. Executive Director then asked the Deputy Executive Director to provide an overview of the budget memorandum. Deputy Executive Director reported that the budget memorandum outlines the various factors that have affected recent budgets and are still impacting the 2025/2026 Budget. Deputy Executive Director advised that the Pool began to include reimbursement of "temporary total disability" payments (TTD) to members when employee lost days from work due to work-related injury in July of 2021. Deputy Executive Director noted that the loss projections for the Pool's budget were not adjusted to address this change until the July 2023/2024 Policy Year. Deputy Executive Director noted that in addition, most Joint Insurance Funds and Insurance Pools have been experiencing unusual claim volume coming out of the pandemic. Deputy Executive Director advised that as a result, the July 2023-2024 budget was increased by 40% and the July 2024-2025 was increased by 23%. Deputy Executive Director noted that the Pool was able to rely on its surplus from prior years to offset these increases, effectively smoothing these increases over multiple years. Deputy Executive Director reported that the July 2025-2026 proposed budget reflects a 9.1% increase. Deputy Executive Director noted that although the proposed budget increase is 9.1%, the increase impact to members without a surplus offset would be 29.2%. Deputy Executive Director advised that as a result of the recommended "surplus transfer from prior fund years", the increase is down to an average of 15%. Deputy Executive Director noted that the amount of the surplus offset has been reduced each year. Deputy Executive Director added that the Pool Office has asked the Actuary and Underwriting Manager for information regarding lowering the Pool's retention. Deputy Executive Director reported that currently the Pool has a retention of $1 million. Deputy Executive Director noted that the Actuary and Underwriting Manager have been asked to explore a retention option of $500,000. Deputy Executive Director explained that if the Pool has a retention of $500,000, any claim above $500,000 would go to the commercial market. Deputy Executive Director then referred to the proposed assessments within the agenda. Deputy Executive Director noted that there are several districts that have a larger assessment increase than others due to loss experience rating. Deputy Executive Director asked if there were any questions and/or comments. Chair Wasserman referred to the proposed budget enclosed within the agenda and commented that the Workers' Comp. Claims line item is provided by the Actuary. Chair Wasserman said the Actuary provides a loss funding range and the amount within the budget represents low-end of the range. Chair Wasserman noted that there is not much more that can be done to reduce the budget as the in the increases for the other expenses are modest. Lastly, Chair Wasserman referred to the proposed assessments and thanked the PERMA team for providing projected premiums earlier than the May/June timeframe. Executive Director asked if there were any further questions and/or comments. Trustee Rinderknecht thanked the PERMA team for providing the estimated assessments as it is perfect timing for his district's budget preparation. With no further questions, Chair Wasserman asked for a motion to introduce the budget.

MOTION TO INTRODUCE THE 2025/2026 BUDGET FOR THE SOUTH BERGEN VII WORKERS' COMPENSATION POOL IN THE AMOUNT OF $3,628,909 AND SCHEDULE A PUBLIC HEARING FOR MARCH 17, 2025 AT 1:30PM VIA ZOOM VIRTUAL MEETING.

MOVED:	Secretary Rosado
SECOND:	Trustee Rinderknecht
ROLL CALL VOTE:	Unanimous

RESOLUTION FOR INTER-FUND TRANSFER – Chair Wasserman referred to the Inter-Fund Transfer Resolution enclosed within the agenda. Chair Wasserman noted that the transfer of the available surplus from Fiscal Years 2014/15 and 2018/19 continues to smooth the larger increases in the 2 prior budgets.

MOTION TO ADOPT RESOLUTION NO. 14-24/25 APPROVING INTER-FUND TRANSFERS, SUBJECT TO APPROVAL BY THE DEPARTMENT OF BANKING & INSURANCE.

MOVED:	Secretary Rosado
SECOND:	Trustee Pietrowitz
ROLL CALL VOTE:	Unanimous

PROPOSED BYLAW AMENDMENT – Executive Director reported that at the December meeting, the Pool accepted the recommendations of the Pool Attorney and scheduled this public hearing to approve a proposed amendment to several Articles of the Pool By-laws. Executive Director referred to the final draft of the By-laws reflecting the proposed amendments. Executive Director noted that if approved, following the public hearing member school boards will be asked to adopt a resolution approving the amendment within six months. Executive Director further noted that the by-law amendment requires 75%-member approval. Executive Director then referred to the sample resolution that will be sent to the membership.

MOTION TO OPEN THE PUBLIC HEARING ON THE BY-LAWS

MOVED:	Trustee Kondovski
SECOND:	Trustee Marmora
VOTE:	Unanimous

Mr. Bailey reminded the Board that the proposed changes are mainly housekeeping items such as language that would coincide with changes of the Open Public Meetings Act, clarifying stipends for the Pool Officers, and changes to administrative fees for potential new members.

MOTION TO CLOSE THE PUBLIC HEARING.

MOVED:	Vice-Chair Dembowski
SECOND:	Trustee Rinderknecht
VOTE:	Unanimous

MOTION TO AUTHORIZE THE FUND OFFICE TO DISTRIBUTE THE PROPOSED AMENDMENT TO MEMBERS.

MOVED:	Trustee Rinderknecht
SECOND:	Secretary Rosado
ROLL CALL VOTE:	Unanimous

CLAIMS FOCUS MEETINGS – Executive Director reported that PERMA is in the process of scheduling the first Focus Meeting with a member that has a high claims frequency. Deputy Executive Director noted that the purpose of a Focus Meeting is to review a member's claims with the member to determine what changes can be made to reduce their claim frequency.

SOBER MEMBERSHIP RENEWALS – Executive Director reported that Westwood School District is scheduled to renew their membership in the SOBER Pool 6/30/2025. Executive Director noted that all other members will enter year three of their 3-year membership with the Pool on 7/1/2025.

FINANCIAL FAST TRACK REPORT (FFT) – Executive Director referred to the Financial Fast Track as of September 30, 2024 enclosed within the agenda. Executive Director reported that as of September 30, 2024 the Pool has a surplus of $1,808,646 and a total cash balance of $16,612,464.

CLAIMS TRACKING REPORTS – Executive Director advised the Claim Tracking reports as of December 31, 2024 were included in the agenda. Executive Director referred to a copy of the Claims Management Expected Loss Ratio Analysis Report. Executive Director advised this report measured how the losses were running compared to the actuary's projections. Executive Director reviewed the Fund Years with the Board.

CLAIMS ADMINISTRATOR:

Mr. Markel reported that the Pool continues to trend in positive direction for the current fiscal year and said there has been a dramatic change in the cause of loss. Mr. Markel advised that there has been a large decrease, nearly 50%, in the number of fall down accidents which were the claims incurring the greatest costs. Mr. Markel reported that there has been an increase in the physical interaction claims where teachers and/or aides are being assaulted by students. Mr. Markel noted that the physical interaction claims tend to be far less costly.

UNDERWRITING MANAGER:

Mr. Gallo said regarding the return premium from policy period 2023-24 in the amount of $961 that was previously reported on, he did receive the check, and it was hand-delivered to the Pool Treasurer. Lastly, Mr. Gallo reported that he has started the quoting process with the excess carriers. Mr. Gallo advised that he will be requesting quotes for the expiring $1 million retention as well as quotes for retentions of $500,000 and $750,000. Mr. Gallo advised that as soon as he has the information from the carriers he will circulate it accordingly.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC COMMENT:

None.

MOTION TO ADJOURN MEETING

MOTION:	Secretary Rosado
SECOND:	Trustee Rinderknecht
VOTE:	Unanimous

MEETING ADJOURNED: **2:11 pm**
NEXT MEETING: **March 2025**
Zoom Virtual Meeting

Jason Thorpe, Assisting Secretary
For
Keith Rosado, SECRETARY

SOUTH BERGEN REGION VII WORKER'S COMPENSATION POOL BILLS LIST

Resolution No. 13-24/25 **JANUARY 2025**

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the South Bergen Region VII Workers' Compensation Pool Board of Trustees, hereby authorizes the Pool treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Pool.

FUND YEAR 23-24

Vendor Name	Comment	Invoice Amount
BOWMAN & COMPANY LLP	AUDIT FEES FOR Y/E 6/30/24	23,920.00
		23,920.00
AIS RISK CONSULTANTS, INC	RESERVE ANALYSIS AS OF 6/30/24 01/25	7,200.00
		7,200.00
	Total Payments FY 23-24	**31,120.00**

FUND YEAR 24-25

Vendor Name	Comment	Invoice Amount
BERGEN RISK MANAGERS	TPA FEES Q3 24-25	40,315.50
		40,315.50
PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/24	29.70
PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE Q3-24-25	20,027.75
		20,057.45
SAMANTHA DEMBROWSKI	VICE CHAIR- 2ND HALF 24-25 01/25	1,000.00
		1,000.00
PHILIP H. NISONOFF	TREASURER FEE 2ND HALF 24-25	2,000.00
		2,000.00
ANDREA WASSERMAN	VICE CHAIR- 2ND HALF 24-25 01/25	1,000.00
		1,000.00
AIS RISK CONSULTANTS, INC	LOSS & ALAE PROJ. FOR 25-26 01/25	3,400.00
		3,400.00
HUNTINGTON BAILEY, LLP	ATTORNEY- Q3 JAN-MAR 24-25	2,375.00
HUNTINGTON BAILEY, LLP	ATTORNEY-Q1 BAL AUG & SEPT 24-25	1,583.33
HUNTINGTON BAILEY, LLP	ATTORNEY- W2 OCT-DEC 24-25	2,375.00
		6,333.33
KEITH ROSADO	SECRETARY FEE- 2ND HALF 24-25 01/25	1,000.00
		1,000.00
NEW TECH SERVICES, INC.	WEBSITE MAINT/SERVICES INV 58328 01/25	175.00
NEW TECH SERVICES, INC.	WEBSITE MAINT/SERVICES INV 58267 11/24	175.00
NEW TECH SERVICES, INC.	WEBSITE MAINT/SERVICES INV 58292 12/24	175.00
		525.00
	Total Payments FY 24-25	**75,631.28**

TOTAL PAYMENTS ALL FUND YEARS **106,751.28**

RESOLUTION NO. 14-24/25

OF THE

SOUTH BERGEN REGION VII WORKERS' COMPENSATION POOL

TRANSFER OF FUNDS

WHEREAS, N.J.A.C. 11:15-4.21 provides that a FUND may seek approval from the Commissioner of Banking & Insurance to make inter-year fund transfers upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Board of Directors has determined that it would be in the best interest of the Pool and its participants to make certain transfers;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Bergen Regional VII Workers' Compensation Pool, as follows:

1. Section F of N.J.A.C. 11:15-4.21 provides that the FUND may seek approval for interfund year transfers from any claim fund that has been completed for not less than twenty-four months. Based upon this requirement, surplus monies from Fiscal Years 2014-15, and 2018-19 are eligible for transfer at the discretion of the FUND, the Department of Banking and Insurance and the Department of Community Affairs.

2. The Board of Directors has balanced the interests of the participants in obtaining the benefit of such monies as are available for interfund year transfer against the need for the Pool to protect and preserve its financial integrity. Because the reserve figures and the IBNR figures utilized by the Pool Actuary are conservative, and because the Banking & Insurance Department and the State regulations require a calculation based on the ratio of paid claims to claim reserves creating a margin of error, it is the conclusion of the Board of Directors that $67,204 can be transferred from Fiscal Year 2014-15 and $387,512 can be transferred from Fiscal Year 2018-19.

3. The Board of Directors further resolves to transfer a total of $400,000 to Fiscal Year 2025-26 and $54,716 to former members' escrow account.

4. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Banking and Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

5. This authorization is based upon the Audited Financial Statements as of June 30, 2024. The aforementioned refund monies shall be allocated, as required and necessary, from the various loss and contingency funds for the respective years, all in accordance with the Actuary's analysis of available monies.

ADOPTED: ***this day by the Board of Trustees;***