SOUTH BERGEN VII WORKERS' COMPENSATION POOL
MINUTES
MEETING –OCTOBER 21, 2024
ZOOM VIRTUAL MEETING
10:30 A.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	Absent
James Hyman	Lyndhurst BOE	Absent
Laurel Spadavecchia	Moonachie BOE	Present
Alexsandar Kondovski	Palisades Park BOE	Present
Thomas O'Hern	Ramsey BOE	Absent
Matthew Whitford	Rutherford BOE	Present
Susan Cucciniello	South Bergen Jointure Commission	Present
Bert Arifaj	South Hackensack BOE	Absent
Jody Pietrowitz	Wallington BOE	Absent
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
Djamal Kirby, PERMA
Dennis Skalkowski, Bowman & Co.
Kaleigh Sawers, Bowman & Co
Kathleen McGuire, BRM

APPROVAL OF MINUTES: OPEN MINUTES OF JUNE 13, 2024 & JUNE 24, 2024

MOTION TO APPROVE THE OPEN MINUTES OF JUNE 13, 2024 & JUNE 24, 2024

MOVED:	Secretary Rosado
SECOND:	Vice-Chair Dembowski
VOTE:	6 ayes; 0 nays; 3 abstentions – Stipend Payments Secretary Rosado Vice-Chair Dembowski Chair Wasserman

CORRESPONDENCE

None.

TREASURER

Dr. Nisonoff referred to the October bills list, Resolution 9-24/25 included in the agenda, and asked if there were any questions. Hearing none, Chair Wasserman asked for a motion to approve.

RESOLUTION 9-24/25 OCTOBER VOUCHER PAYMENTS (BILL LIST):

2023-24:	$	66,190.84
TOTAL:	**$**	**66,190.84**

MOTION TO ADOPT RESOLUTION 9-24/25 OCTOBER VOUCHER LIST AS SUBMITTED:

MOVED:	Trustee Cucciniello
SECOND:	Trustee Kondovski
ROLL CALL VOTE:	Unanimous

Dr. Nisonoff thanked the entire membership for remitting their assessments. Dr. Nisonoff said this has been the most successful year regarding members submitting their assessment payments

in a timely fashion. Lastly, Dr. Nisonoff said that it appears that the monthly claim payments have been unusually high and asked the professionals to speak to that during their reports.

EXECUTIVE DIRECTOR/ADMINISTRATOR:

AUDITOR FISCAL YEAR-END REPORT – Executive Director advised Mr. Dennis Skalkowski, who prepared the draft audit as of 6/30/2024, was present in the meeting and would provide an overview. Mr. Skalkowski advised that he would provide a high level overview of the draft audit. Mr. Skalkowski reported that the audit will be finalized in November and noted that he anticipates a clean opinion to be issued, and no findings or recommendations noted. Mr. Skalkowski referred to the Statement of Net Position Report. Mr. Skalkowski reported that as of 6/30/2024, the Pool had $14,401,604 in total asset and $12,791,586 in total liabilities and reserves. Mr. Skalkowski reported that the Pool had an unrestricted net position of $1,610,018. Mr. Skalkowski then referred to the Statement of Revenues, Expenses, and Changes in Net Position Report. Mr. Skalkowski reported that at the fiscal year-end of 6/30/2024, the Pool had total contributions of $2,698,911 and total operating expenses of $3,993,297 which resulted in an operating loss of $1,294,386. Mr. Skalkowski asked if there were any questions and/or comments. Chair Wasserman commented that claim payments have increased by approximately $1 million over the past year. Executive Director said Ms. Conicella has taken a closer look at the claims and asked her to provide an overview of her findings. Ms. Conicella reported that due to an aging workforce, some of the injuries seem to snowball in severity leading to numerous complications. Ms. Conicella noted that as a result, the older injured employees are out of work longer than their younger counterparts, leading to additional money being spent. Deputy Executive Director commented that the increase in claim payments is not unique to the Pool as all the JIFs have had similar experiences over the past 3 years following COVID. Executive Director added that a previous agenda included an article from Safety National regarding the increase in worker compensation costs due to the evolution of medical technology. With no further questions or comments, Mr. Skalkowski concluded his report.

DEPARTMENT OF BANKING & INSURANCE (DOBI) – Executive Director reported that following the filing of the Pool's June 30, 2023 Audit Report, DOBI asked the Pool to outline its plans to address the reduction in surplus figures. Executive Director then referred to the request from DOBI and PERMA's response to the same, both enclosed within the agenda packet. Executive Director noted that DOBI has been paying more attention to JIFs throughout the state. Executive Director added that many JIFs have received similar letters from DOBI requesting information regarding their financials. Chair Wasserman thanked the PERMA team for putting together a thorough response to DOBI.

POOL ATTORNEY CONTRACT – Executive Director reported that the appointment of Huntington Bailey, LLP as the Pool's Attorney will expire on October 31, 2024. Executive Director referred to Resolution 10-24/25, enclosed within the agenda packet, appointing Huntington Bailey, LLP as the Pool Attorney for Fiscal Year 2024-25. Chair Wasserman added that the Pool Attorney contract will expire on June 30, 2025 to allow the contract to become coterminous with other Pool Professionals and be part of the reorganization meeting.

MOTION TO ADOPT RESOLUTION 10-24/25, APPOINTING HUNTINGTON BAILEY, LLP TO SERVE AS THE SOBER POOL ATTORNEY FOR A FEE OF $9,500.

MOVED:	Vice-Chair Dembowski
SECOND:	Secretary Rosado
ROLL CALL VOTE:	Unanimous

Mr. Bailey thanked the Board of Trustees for his re-appointment and said it is his pleasure to continue to serve the Board.

AMENDMENT TO PUBLIC MEETING PROCEDURES – Executive Director referred to Resolution 11-24/25 amending the public meeting schedule section Established Public Meeting Procedures Resolution.

MOTION TO ADOPT RESOLUTION #11-24/25 APPROVING THE AMENDMENTS TO THE 2024-25 PUBLIC MEETING PROCEDURES OF THE POOL.

MOVED:	Trustee Kondovski
SECOND:	Trustee Cucciniello
VOTE:	Unanimous

PROPOSED BY-LAWS AMENDMENT – Executive Director referred to a draft memorandum from the Pool Attorney regarding proposed changes to the SOBER Pool By-Laws. Executive Director noted that if the Board is in favor of the proposed changes, the Pool Office will begin the process to amend the By-Laws for the December meeting and schedule a Public Hearing on the amendment for the January meeting. Mr. Bailey proceeded to review the proposed By-Law amendments. Upon conclusion of Mr. Bailey's review, Chair Wasserman noted that any amendment will require a 2/3 majority vote for approval.

2025/2026 BUDGET TIMELINE – Executive Director reported that PERMA will schedule a meeting with the Actuary to begin the process of preparing the 2025/2026 budget. Executive Director advised that the Underwriting Manager has already collected payroll information. Executive Director noted that the Pool office expects to introduce a budget at the January 21, 2025 meeting and schedule public hearing and budget adoption at the March 17, 2025 meeting.

FINANCIAL FAST TRACK REPORT (FFT) – Executive Director referred to the Financial Fast Track as of June 30, 2024 enclosed within the agenda. Executive Director reported that as of June 30, 2024 the Pool has a surplus of $1,610,022 and a total cash balance of $14,250,816.

CLAIMS TRACKING REPORTS – Executive Director advised the Claim Tracking reports as of September 30, 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 post-COVID 3-year period has been very difficult for the Pool as well as other JIFs. Mr. Markel reported that although the claim numbers have not looked good for some time, there have been some positive trends over the last 6 to 9 months. Mr. Markel then proceeded to review the claim numbers for the past several years. Mr. Markel reported that for Fiscal Year 2021-22 the claim count was 272 which is approximately 13% higher than the historical claim average of 240. Mr. Markel noted that for Fiscal Year 2021-22 the total incurred was $1,865,000. Mr. Markel reported that for Fiscal Year 2022-23 the claim count increased to 321 which is approximately 24% higher than the historical claim average of 240. Mr. Markel noted that for Fiscal Year 2022-23 the total incurred increased to $2,914,000 with both frequency and severity peaking at very high numbers. Mr. Markel reported that for Fiscal Year 2023-24 the claim count went down from 321 to 299 but was still approximately 20% higher than the historical claim average of 240. Mr. Markel noted that for Fiscal Year 2023-24 the total incurred was $2,142,000. Mr. Markel reported that for Fiscal Year 2024-25, through October 18th, the claim count is 74 and the total incurred is $273,500. Mr. Markel said that over the past 3 years it has been the fall down claims plaguing the Pool. Mr. Markel noted that for Fiscal Year 2023-24, fall down claims represented 30% of the overall claims, however the resulting cost decreased from 67% to 41% of the total costs incurred, thus the average per claim has been going down and has continued into Fiscal Year 2024-25. Ms. Conicella asked if BRM has cross-referenced the fall down claims and the severity and how much money they cost, with the ages of the claimants. Mr. Markel said that he had not done that analysis but can investigate those numbers for the next meeting. Mr. Markel asked if there were any questions and/or comments. Deputy Executive Director said the Pool Office has been discussing the possibility of having Mr. Markel and members of his team meet with 1 or 2 members that have a higher claims frequency which is referred to as a 'Focus Meeting'. Deputy Executive Director explained that the purpose of a Focus Meeting is to review all of a member's claims with them to determine what changes can be made to reduce the frequency. Dr. Nisonoff said that the Deputy Executive Director's suggestion was what he was alluding to during his report to find out what types of steps can be taken to reduce the increase in claim payments. Deputy Executive Director said there are generally 2 things not being used by the Pool but the municipal JIFs use to reduce claims. Deputy Executive Director noted that both things would come at an additional cost for the Pool. Deputy Executive Director said one way is utilizing a Risk Management Consultant as they can visit members more frequently to discuss claims. Deputy Executive Director said the second way is with loss control and training. Dr. Nisonoff said he was under the impression that loss control was part of the Pool's contract with BRM. Mr. Markel said he will review the contract but noted that he believes there are 30 to 40 hours of loss control services included. Mr. Markel added that BRM uses Tri-State Safety Solutions for loss control services. Deputy Executive Director said it would be a good idea for BRM to connect the loss control services with the members that need it. Chair Wasserman commented that preventative education for the staff is important for preventing claims. With no further questions or comments, Mr. Markel concluded his report.

UNDERWRITING MANAGER:

Mr. Gallo advised that all member districts should have received their workers' compensation posting notices. Mr. Gallo reported that all audited payrolls have been received from each member in a timely manner, and thanked the membership for their cooperation with providing

the payroll information as it will help the PERMA team formulate the next fiscal year's budget. Mr. Gallo added that the payroll information also allowed his team to work on the audit from the excess carrier and noted that based on the payroll there is going to be a return premium from policy period 2023-24, in the amount of $961. Mr. Gallo advised that once he receives the return of premium, he will forward the funds to the Pool Treasurer.

OLD BUSINESS:

None.

NEW BUSINESS:

Chair Wasserman reported that in her new role as Chairperson she now attends the Claims Review meetings. Chair Wasserman said that while attending one of the meetings she discovered that there are claimants that receive financial settlements due to their injuries. Chair Wasserman said that she was not aware of but wanted the Board to know that there are instances where the claimants receive financial awards in addition to their medical bills being paid, etc. Chair Wasserman said that if any Board members have questions, they can contact her or one of the Pool Professionals for details. Secretary Rosado asked that once the financial settlement is paid, is the claim then closed. Ms. Conicella said that it would depend on the type of settlement. Deputy Executive Director added that a claimant can reopen a claim and say they are still experiencing some pain up to 2 years from the last date of the payment on the award. Deputy Executive Director further added that the payout can be over multiple months, and the 2-year window starts from the last payment installment. Deputy Executive Director noted that there are still claims from 15 years ago that are still open and treating. And that's how that a lot that process is has allows that.

PUBLIC COMMENT:

None.

MOTION TO ADJOURN MEETING

MOTION:	Secretary Rosado
SECOND:	Trustee Kondovski
VOTE:	Unanimous

MEETING ADJOURNED: **11:30 am**
NEXT MEETING: **December 2024**
Zoom Virtual Meeting

Jason Thorpe, Assisting Secretary
For
Keith Rosado,
SECRETARY

SOUTH BERGEN REGION VII WORKER'S COMPENSATION POOL BILLS LIST

Resolution No. 9-24/25 **OCTOBER 2024**

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 24-25

Vendor Name	Comment	Invoice Amount
BERGEN RISK MANAGERS	TPA FEES- Q2 24-25	40,315.50
		40,315.50
PERMA RISK MANAGEMENT SERVICES	POSTAGE 07/24	184.85
PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE Q2 24-25	20,027.75
		20,212.60
SAMANTHA DEMBROWSKI	VICE CHAIR- 1ST HALF 24-25 10/24	1,000.00
		1,000.00
PHILIP H. NISONOFF	TREASURER FEE 1ST HALF 24-25	2,000.00
		2,000.00
ANDREA WASSERMAN	CHAIRPERSON FEE- 1ST HALF 24-25 10/24	1,000.00
		1,000.00
KEITH ROSADO	SECRETARY FEE- 1ST HALF 24-25 10/24	1,000.00
		1,000.00
NEW TECH SERVICES, INC.	WEBSITE MAINT/SERVICES INV 58231 10/24	175.00
NEW TECH SERVICES, INC.	WEBSITE MAINT/SERVICES INV 58179 08/24	262.50
NEW TECH SERVICES, INC.	WEBSITE MAINT/SERVICES INV 58205 09/24	175.00
		612.50
GANNETT NEW YORK NJ LOCALIQ	ACCT 1184351- AD 10664868 10/13/24	50.24
		50.24
	Total Payments FY 24-25	**66,190.84**

TOTAL PAYMENTS ALL FUND YEARS **66,190.84**

RESOLUTION NO. 10-24/25

SOUTH BERGEN VII WORKERS' COMPENSATION POOL
(hereafter the "POOL")

APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

WHEREAS, the POOL is duly constituted as a School Board Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.A.C. 11:15-4.1, et. seq.); and

WHEREAS, the South Bergen VII Workers' Compensation Pool (hereinafter the Pool) found it necessary and appropriate to appoint certain professionals as defined in the Local Public Contracts Law, (N.J.S.A. 18A:18A-1 et. seq.) for the 2024-2025 Fiscal year; and,

WHEREAS, the Pool seeks to award a Professional Service Agreements in accordance with a non-fair and open process pursuant to NJSA 19:44A-22.4 et. seq.**;** and,

WHEREAS, the Pool's Officers recommended the award of a contract to the below listed Professional Service Provider based on a review of their; response, experience, and prior service provided at a fee recommended by the Pool Officers; and,

WHEREAS the Pool's Board of Trustees resolve to appoint the Pool Attorney commencing on November 1, 2024 and ending on June 30, 2025 in a non-fair and open process pursuant to N.J.S.A. 19:44A-22.4 et. Seq.;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that **Huntington Bailey, LLP,** is hereby appointed as **Pool Attorney.** The annual amount of $9,500 will be appropriated in the Attorney Line Item of the 2024-25 fiscal year budget.

BE IT FURTHER RESOLVED, the Professional Service Provider appointed pursuant to this Resolution shall service the Pool in accordance with the terms and conditions of the Professional Service Agreement.

BE IT FURTHER RESOLVED, that in accordance with NJSA 19:44A-22.4, the decision of the Pool's Board of Trustees that the procurement process utilized, constitutes a non-fair and open process, shall be final.

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

RESOLUTION NO: 11-24/25

SOUTH BERGEN VII WORKERS' COMPENSATION POOL
(hereafter the "POOL")

AMENDING ESTABLISHED PUBLIC MEETING PROCEDURES

WHEREAS, the POOL adopted Resolution 5-24/25 at the POOL's reorganization meeting on June 24, 2024 to establish meeting procedures for Fiscal Year 2024-25, and

WHEREAS, during the POOL's reorganization meeting the Board of Trustees requested a revision to the meeting schedule for Fiscal Year 2024-25.

NOW, THEREFORE BE IT RESOLVED BY the POOL Board of Trustees hereby agrees to amend Resolution 5-24/25 – Establishing Meeting Procedures by replacing Section I in its entirety with:

I. The Board of Trustees shall conduct Public Meetings to conduct the official business of the POOL at **1:30 P.M**. (*unless otherwise noted*) on the following dates: **October 21, 2024 (*10:30 am; Virtual*); December 9, 2024: Approval of 6/30/24 Audit (*Virtual*) January 21, 2025: Budget Introduction (*Virtual*); March 17, 2025: Budget Adoption (*Virtual*); and on June 16, 2025: Reorganization (Meeting Time & Format TBD)**. *(Meeting Time, Format, and Dates Subject to Change).*

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