SOUTH BERGEN VII WORKERS' COMPENSATION POOL
MINUTES
MEETING –OCTOBER 30, 2023
ZOOM VIRTUAL MEETING
1:30 P.M.

Meeting called to order by Chairman Kelly. Open Public Meeting Act read into Minutes by Chairman Kelly.

ROLL CALL OF 2023 BOARD OF TRUSTEES:

Chairman		
Joseph Kelly	Rutherford BOE	Present
Vice -Chair		
Andrea Wasserman	Montvale BOE	Present
Secretary		
Samantha Dembowski	North Arlington BOE	Present
Trustees		
John Marmora	Emerson BOE	Present
Dina Messery	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	Absent
Thomas O'Hern	Ramsey BOE	Present
Susan Cucciniello	South Bergen Jointure Commission	Absent
Robert Brown	South Hackensack BOE	Absent
Jody Pietrowitz	Wallington BOE	Present
Carl Morelli	Wood-Ridge BOE	Present
Keith Rosado	Westwood BOE	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	Perma Risk Management Services **Joseph Hrubash** **Cate Kiernan**	 Present 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**	 Present

OTHERS PRESENT:

Jason Thorpe, PERMA
Pauline Kontomanolis, PERMA
Robyn Walcoff, Esq., PERMA
Steven Krolian, PERMA
Kathleen McGuire, BRM
William Bailey, Esq., Huntington Bailey

APPROVAL OF MINUTES: OPEN MINUTES OF MAY 19, 2023

MOTION TO APPROVE THE OPEN MINUTES OF MAY 19, 2023

MOVED:	Trustee Messery
SECOND:	Trustee Pietrowitz
VOTE:	10 ayes; 0 nays; 1 abstention Trustee Rinderknecht

TREASURER

Dr. Nisonoff reported that all assessment payments have been received from the membership. Dr. Nisonoff thanked the membership for their cooperation. Dr. Nisonoff then referred to the October bills list, Resolution 18-23, included in the agenda. Chairman Kelly asked if there were any questions. Hearing none, Chairman Kelly asked for a motion to approve the resolutions.

RESOLUTION 18-23 OCTOBER VOUCHER PAYMENTS (BILL LIST):

2022-23:	$	274.20
2023-24:	$	65,290.88
TOTAL:	**$**	**65,565.08**

MOTION TO ADOPT RESOLUTION 18-23, OCTOBER VOUCHER LISTS AS SUBMITTED:

MOVED:	Trustee Rinderknecht
SECOND:	Trustee Messery
ROLL CALL VOTE:	8 ayes; 0 nays; 3 abstentions Chairman Kelly Vice-Chair Wasserman Secretary Dembowski

EXECUTIVE DIRECTOR/ADMINISTRATOR:

2023-24 FISCAL YEAR BUDGET – Executive Director reported that in accordance with the regulations, the budget adopted by the Pool has been advertised in the Fund's official newspaper. Executive Director noted that in addition, PERMA has posted the budget on the Pool website and filed the same with the State.

POOL ATTORNEY APPOINTMENT – Executive Director advised that as previously reported, the Executive Director requested quotes from two potential Pool Attorneys. Executive Director reported that the proposals from both firms were reviewed by the Pool's Officers on August 1, 2023, and they are recommending that a 1-year contract be awarded to Huntington Bailey, LLP to serve as the SOBER Pool Attorney for a fee of $9,500. Executive Director referred to Resolution #19-23 approving the appointment enclosed within the agenda packet. Executive Director noted that the Pool Attorney contract will be effective November 1, 2023 through October 31, 2024 and the position will be re-evaluated after 1 year. Executive Director asked if there were any questions. Hearing none, Executive Director asked for a motion to adopt the resolution.

MOTION TO ADOPT RESOLUTION 19-23, APPOINTING HUNTINGTON BAILEY, LLP TO SERVE AS THE SOBER POOL ATTORNEY FOR A 1-YEAR TERM AT A FEE OF $9,500.

MOVED:	Vice-Chair Wasserman
SECOND:	Trustee Messery
ROLL CALL VOTE:	Unanimous

Executive Director advised that Mr. William Bailey, Esq. was present in the meeting and asked if he had any comments. Mr. Bailey thanked the Board for his firm's appointment and said that he looks forward to serving the Pool.

IRS NOTICES/FILINGS – Executive Director reported that his office has been working with the Pool Auditor on the Dissolution of SOBER's Non-Profit Status and two tax notices from the IRS that were sent to the Pool Chairman. Executive Director advised that Chairman Kelly granted Power of Attorney to the Pool Auditor which allowed them to speak to the IRS on the Pool's behalf. Executive Director reported that Bowman & Company contacted the IRS to address the issues and referred to the cover page of the Pool Auditor's response to the IRS in reference to the tax notices. Executive Director noted that although he believes the matter is now resolved, the Executive Director's office awaits an official response from the IRS. Ms. Kontomanolis added that while she does not foresee any issues, it may take some time for the IRS to respond to the Pool Auditor's request.

MEL SAFEY INSTITUTE (MSI) – Executive Director reported that the Pool Actuary recently inquired about loss control services and risk management for the Pool due to the increased number of claims and the average cost per claim. Executive Director reported that the Municipal Excess Liability Joint Insurance Fund (MEL) has a Safety Institute (MSI) with a number of resources and materials available for instructor-led classroom training, instructor-led webinar training, online classes, safety, and risk management. Executive Director advised that if the Trustees are interested, PERMA can arrange a presentation overviewing the MSI at the January 2024 SOBER meeting. Chairman Kelly commented that his district is a member of the School Alliance Insurance Fund (SAIF), just not for Workers' Compensation, and already has access to the MSI. Chairman Kelly asked if there is a way to determine which SOBER Pool members are part of SAIF for their other insurance coverages. Deputy Executive Director advised that PERMA has a listing of the SAIF membership as well as two other School Board Funds and will research which members already have access to the MSI. Executive Director advised that PERMA would report back with its findings.

2024 MEMBERSHIP RENEWALS – Executive Director said that he is pleased to report that the fund office has received membership renewal documents from the entire Pool membership. Executive Director advised that the membership documents have been countersigned and are being mailed back to the membership.

WORKERS' COMPENSATION POLICY – Executive Director reported that PERMA has generated and issued the workers' compensation policies for each participant school district.

FINANCIAL FAST TRACK REPORT (FFT) – Executive Director referred to the Financial Fast Track as of June 30, 2023 enclosed within the agenda. Executive Director reported that as of June 30, 2023 the Pool has a surplus of $3,513,975 and a total cash balance of $14,600,172. Executive Director then referred to the surplus/deficit amounts by fiscal year. Executive Director advised that there is a deficit of $1,772,477 for the 2021/2022 fiscal year and a deficit of $3,152,142 for the 2022/2023 fiscal year. Executive Director said he believes that some of the deficit is due to the change to how the Pool membership is handling indemnity. Executive Director. Executive Director said that he also believes that the deficits are a result of increased medical care costs as well as COVID which caused a delay in medical treatment. Deputy Executive Director added that across most of the JIFs PERMA there are deficits in the 2021 through 2023 fund years which is believed to be intangibly related to COVID. Deputy Executive Director provided examples of delays in patients being able to see doctors due to staffing shortages, which has led to employees being out of work longer. Executive Director advised that PERMA will continue to monitor the deficits.

CLAIMS ADMINISTRATOR:

Mr. Markel reported that for the policy periods of 7/1/21 through 6/30/22 and 7/1/22 through 6/30/23, the claims experience has been terrible. Mr. Markel advised that post-COVID, the workers compensation claims experience deteriorated across all public entity clients, with the 2022 year performing exceptionally poor. Mr. Markel noted that while most public entities have started reverting to their norms, the SOBER Pool has not as both frequency and severity are up. Mr. Markel reported that for the policy period ended 6/30/23, there were 321 workers' comp claims versus a pre-COVID average of 225 which is a 42% increase. Mr. Markel reported that pre-COVID slip/trip & fall accidents had an average frequency of 20% of the total incidents and an average of 35 to 40% of the total incurred cost. Mr. Markel reported that post-COVID slip/trip & fall accidents still represent 20% of the incidents but noted that they now represent 55% of the incurred costs. Mr. Markel reported that pre-COVID the annual average of slip/trip & fall accidents was 45 but is now 90 post-COVID. Mr. Markel advised that the claimants are mostly teachers, teacher aides, and the professional job classes. Mr. Markel noted that there has been no increase in the maintenance/custodial category at all. Executive Director asked Mr. Markel if he can put together a report outlining where the claims are coming from and how they are happening. Mr. Markel said he can put a report together for the January meeting. Mr. Schwartz said that he would like to advise the Board of the aggregate impact associated with the increase of claims over the last two years. Mr. Schwartz reported that from 2016 through 2021, the annual average losses were approximately $800,000-$900,000. Mr. Schwartz advised that for fiscal year-end 6/30/22 there was $1.6 million in losses. Mr. Schwartz reported that for fiscal year-end 6/30/23 that total losses are nearly $3 million.

UNDERWRITING MANAGER:

Mr. Gallo reported that he has received all 2022/2023 policy year final audited payroll worksheets from the membership. Mr. Gallo advised that the worksheets were submitted to both the Pool Actuary and the excess carrier for their review. Mr. Gallo said awaits the results of the reviews. Chairman Kelly asked if there were any questions. Trustee Rinderknecht asked regarding the audited payroll, when will the membership see adjustments or credits. Trustee Rinderknecht said that he is new to Lodi School District and did a comparison between the previous year's payroll submission and this year's. Trustee Rinderknecht said that the payroll increased by $3 million which means something went awry. Trustee Rinderknecht said that a subsequent adjustment was made when discrepancies occur in the previous fund that he was a part of and wanted to know if the Pool operates in the same fashion. Mr. Gallo said there would be an adjustment by the carrier specifically and the Pool would either get a credit back or pay additional premium based on the payroll.

OLD BUSINESS:

None.

NEW BUSINESS:

2024 Meeting Platform – Executive Director reported that to best streamline and leverage Microsoft 365 suite of applications, the Fund Office will eliminate the use of the Zoom application for meetings and webinars. Executive Director advised that Microsoft Teams will become the default option for audio or video conferencing beginning January 2024.

Trustee Rinderknecht said that he is new to the Pool and asked how the budget process is going to work for the 2024-25 fiscal year. Chairman Kelly advised that a budget analysis would be put together and the various variables surrounding the budget will be reviewed. Chairman Kelly said the budget process will begin in the February/March timeframe and the Pool Professionals will provide an estimated increase/decrease. Dr. Nisonoff added that with the work PERMA did on the 2023-24 budget, and changing the way premium calculations are developed, he believes budget projections for the 2024-25 budget can be provided in the February/March timeframe which is earlier than the previous budget. Executive Director said that although the budget will be adopted in June 2024, PERMA will likely be able to provide preliminary budget figures in the February/March timeframe.

PUBLIC COMMENT:

None.

MOTION TO ADJOURN MEETING

MOTION:	Trustee Rinderknecht
SECOND:	Trustee Rosado
VOTE:	Unanimous

MEETING ADJOURNED: **2:17 pm**
NEXT MEETING: **January 2024**
Microsoft Teams Virtual Meeting

Jason Thorpe, Assisting Secretary
For
Samantha Dembowski,
SECRETARY

SOUTH BERGEN REGION VII WORKER'S COMPENSATION POOL BILLS LIST

Resolution No. 18-23 **OCTOBER 2023**

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 22-23

Check Number	Vendor Name	Comment	Invoice Amount
005025			
005025	PERMA RISK MANAGEMENT SERVICES	POSTAGE 06/23	154.36
			154.36
005026			
005026	NORTH JERSEY MEDIA GROUP	ACCT 397295 DATE 6/2/23 BUDGET	45.24
005026	NORTH JERSEY MEDIA GROUP	ACCT 397295 DATE 6/2/23 DIRECTOR	74.60
			119.84
		Total Payments FY 22-23	**274.20**

FUND YEAR 23-24

Check Number	Vendor Name	Comment	Invoice Amount
005027			
005027	BERGEN RISK MANAGERS	TPA 12/23	13,175.00
005027	BERGEN RISK MANAGERS	TPA 10/23	13,175.00
005027	BERGEN RISK MANAGERS	TPA 11/23	13,175.00
			39,525.00
005028			
005028	PERMA RISK MANAGEMENT SERVICES	POSTAGE 09/23	20.80
005028	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE Q2 2023	19,635.00
005028	PERMA RISK MANAGEMENT SERVICES	POSTAGE 08/23	10.08
			19,665.88
005029			
005029	SAMANTHA DEMBROWSKI	SECRETARY FEE 1ST HALF STIPEND 23-24	1,000.00
			1,000.00
005030			
005030	PHILIP NISONOFF	TREASURER FEE 1ST HALF STIPEND 23-24	2,000.00
			2,000.00
005031			
005031	ANDREA WASSERMAN	VICE CHAIRPERSON 1ST HALF 23-24	1,000.00
			1,000.00
005032			
005032	JOSEPH KELLY	CHAIRMEN FEE 23-24 1ST HALF STIPEND	1,000.00
			1,000.00
005033			
005033	NEW TECH SERVICES, INC.	WEBSITE MAINT/HOSTING/DIS RECOV 10/23	225.00
005033	NEW TECH SERVICES, INC.	WEBSITE MAINT/HOSTING/DIS RECOV. 9/23	225.00
005033	NEW TECH SERVICES, INC.	WEBSITE MAINT/ HOSTING 07/23	175.00
005033	NEW TECH SERVICES, INC.	WEBSITE MAINT/HOSTING 08/23	175.00
			800.00
005034			
005034	Bowman & Company LLP	AUDITOR RESPONSE TO IRS LETTER 10/23	300.00
			300.00
		Total Payments FY 23-24	**65,290.88**
		TOTAL PAYMENTS ALL FUND YEARS	**65,565.08**

RESOLUTION NO. 19-23

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 2023-2024 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, NJSA 18A:18A-1 et. seq. allows for a contract duration of one (1) year; 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, 2023 and ending on October 31, 2024 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 Misc. Expense & Contingency Line Item of the 2023-24 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,***