

DONNA L. BRAUN  
City Clerk-Treasurer  
dbraun@northtonawanda.org

Lori Swartz  
Assistant City Clerk

Denise Proefrock  
Assistant City Treasurer

# City of North Tonawanda

OFFICE OF THE CITY CLERK - TREASURER  
VITAL STATISTICS  
CITY HALL  
216 PAYNE AVENUE  
NORTH TONAWANDA, N.Y. 14120

Treasurer's Office: (716) 695-8575  
Clerk's Office: (716) 695-8555  
Fax: (716) 695-8557

## **COMMON COUNCIL WORKSHOP AGENDA**

November 6, 2025

The following meeting has been scheduled for **WEDNESDAY, NOVEMBER 12, 2025:**

**6:30 PM - Special Session Re: 2026 Budget Adoption**

### **Workshop to Follow:**

**Robert Pecoraro**

**Re: Annual Report from the Botanical Gardens**

**Jason Koepsell**

**Re: Water Meter Discussion**

**City Attorney**

**Re: Transition from Self Insured Workers' Compensation  
To Using an Insurance Carrier**

**Common Council**

**Re: General Discussion**

**Respectfully submitted,**



**Donna L. Braun  
City Clerk-Treasurer**

# MEMO

CITY ATTORNEY  
CITY OF NORTH TONAWANDA, NEW YORK  
(716) 695-8590 FAX: (716) 695-8568

TO -

Donna Braun, City Clerk-Treasurer

DATE - November 6, 2025

RE: -

FROM - CITY ATTORNEY

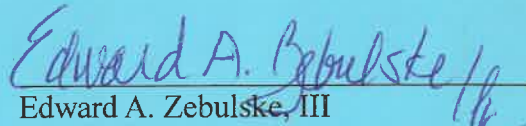
Consideration of  
Proposal for CNT to  
Transition Workers  
Compensation from  
Self-Insured to Use of  
an Insurance Carrier

Attached, for Common Council consideration, is an analysis/proposal by Lawley Insurance to transition the City of North Tonawanda from our current self-insured workers compensation process, to using the services of an outside insurance carrier to process those claims.

If possible, kindly schedule time for common council discussion at their upcoming workshop (11/12/25) to see if this is something we should consider moving forward with.

Should you have questions or need more information, please do not hesitate to contact me.

EAZ/lk  
Att.

  
Edward A. Zebulski, III  
City Attorney

cc: Members, Common Council  
Austin Tylec, Mayor

# City of North Tonawanda

## Workers Compensation Plan Analysis

November 6, 2025



Lawley

# Loss Summary

Year	Total # Claims	# Open Claims	Total Paid	Total Reserved	Total Incurred
2024	33	10	\$197,292	\$150,416	\$347,708
2023	34	2	\$44,342	\$25,741	\$70,083
2022	45	1	\$509,623	\$19,405	\$529,028
2021	59	4	\$467,215	\$78,795	\$546,010
2020	47	0	\$89,208	\$0	\$89,208
2019	62	1	\$247,967	\$2,104	\$250,071
2018	65	6	\$562,887	\$32,273	\$595,160
2017	62	2	\$505,218	\$25,456	\$530,674
2016	79	1	\$596,748	\$7,250	\$603,998
2015	75	2	\$1,196,967	\$3,411	\$1,200,378

## Loss Summary Cont'd

**TOTAL OUTSTANDING RESERVES: \$1,599,659\* (as of 8/31/2025)**

10 Year Average (2015-2024)

- \$476,241 Total Incurred Losses
- 56.1 Total Claims

5 Year Average (2020-2024)

- \$316,427 Total Incurred Losses
- 49.4 Total Claims

Worst Year (2015): \$1,200,379 Total Incurred Losses

Best Year (2023): \$70,083 Total Incurred Losses

*\*Undeveloped Losses*



## Option #1 – Full Self-Insurance Projection

Third Party Administrator Fee (TPA)	\$48,672
Excess Workers Compensation Premium	\$181,804
New York State Assessments	\$40,000
Lawley Admin Fee (incl. Risk Management)	\$22,500
<b>TOTAL FIXED COSTS:</b>	<b>\$292,976</b>
Projected Losses Per Year (10 yr. Avg) *	\$476,241
<b>TOTAL PROJECTED ANNUAL COST</b>	<b>\$769,217</b>

\*Projection using 10 year average of Total Incurred Losses....

Self-Insured Retention (SIR): \$850k Police & Paid Firefighters/\$1.25M Volunteer FF/\$800k All Other Employees

**Projection using Worst Year: \$1,493,355**

**Projection using Best Year: \$363,059**

Disclaimer: Figures provided are estimates ONLY. Final annual costs will be determined by actual incurred expenses each year.

**Lawley**

## *Full Self-Insurance*

### *Pros & Cons*

- **Pros:**
  - Control over vendor selection and settlement of claims
  - Significant savings in years with favorable claims experience
  - Cash flow
- **Cons:**
  - Uncertainty of total exposure in a given year
  - Long “tail” for claims to be settled and closed out which ties up a significant amount of cash in reserves
  - More involvement from an administrative level

## Option #2

### Public Employer Risk Management Association (PERMA)

	Estimated Payroll	Estimated Contribution
All Employees	\$23,643,125	\$698,301
Volunteer Firefighters	32,000 (population)	\$79,947
Contribution		<b>\$778,248</b>
New York State Assessment		\$38,610
<b>Total Contribution</b>		<b>\$816,858</b>
Less 2% Paid In Full Discount (by 1/1/2025)		\$15,565
<b>Total Contribution (incl. Discount)</b>		<b>\$801,293</b>
Lawley Risk Management Fee		\$22,500
TPA Fee for Legacy Claims*		\$25,000
<b>TOTAL PROGRAM COST</b>		<b>\$848,793</b>

\*Estimated...TBD by RFP Process



## PERMA Pros & Cons

- **Pros:**
  - Fixed Annual Cost with NO variable expense for increase in claims in a given policy year...Payroll is the primary rating factor which gets reconciled annually via audit
  - Risk Pool made up of all Public Entities (Schools, Municipalities, etc.)
  - Locally, Clarence Central Schools, Grand Island Central School District and North Tonawanda City Schools are members
- **Cons:**
  - City of NT would still retain cost of Legacy Claims from Self-Insured plan including cost of TPA and Medical/Indemnity payments from those claims
  - PERMA is NOT backed by the NYS Guarantee Fund
  - In the unlikely event of insolvency, all members retain their own “outstanding liabilities”
  - All members are public entities with taxing authority so probability of insolvency is low

# Option #3 – PERMA High Deductible Plan

Per Occurrence Deductible  
\$450k – Police and Fire  
\$300k – All Other Employees

Contribution	\$307,904
NYS WCB Assessments	\$38,610
2% Paid in Full Discount	(\$6,158)
Lawley Risk Management Fee	\$22,500
Legacy Claims TPA Fee*	\$25,000
<b>TOTAL FIXED COSTS</b>	<b>\$387,856</b>
Projected Losses**	\$476,241
<b>TOTAL PROJECTED ANNUAL COST</b>	<b>\$864,097</b>

\* Estimated...TBD by ongoing RFP  
\*\* 10 year average (2015-2024)....No losses exceeded \$300k during that period

Disclaimer: Figures provided are estimates ONLY. Final annual costs will be determined by actual incurred expenses each year.

## *PERMA High Deductible - Pros & Cons*

- **Pros:**
  - Decreases exposure for large claims by providing a lower deductible of \$300k/\$450k vs. Self-Insured Retention (SIR): \$850k Police & Paid Firefighters/\$1.25M Volunteer FF/\$800k All Other Employees
- **Cons:**
  - Higher upfront fixed costs compared to the current self-insured plan
  - City of NT would still accrue future Workers Comp Liabilities under this plan which would further tie up cash reserves
  - PERMA is NOT backed by the NYS Guarantee Fund
  - In the unlikely event of insolvency, all members retain their own “outstanding liabilities”
  - All members are public entities with taxing authority so probability of insolvency is low
  -

## Summary Comparison

	Full Self Insurance	PERMA ** Guaranteed Cost	PERMA ** High Deductible
Total Fixed Costs	\$292,976	\$848,793 *	\$387,856
Variable Costs – Projected Losses	\$476,241	N/A	\$476,241
<b>Total Projected Annual Cost</b>	<b>\$769,217</b>	<b>\$848,793</b>	<b>\$864,097</b>

\* Contemplates 2% Paid in Full Discount

\*\* Does not contemplate continuing expenses for Legacy Claims. Payments for Legacy Claims (prior to 1/1/2026) will continue until all are closed out.

**TOTAL OUTSTANDING RESERVES: \$1,599,659 \*** (as of 8/31/2025)

Disclaimer: Figures provided are estimates ONLY. Final annual costs will be determined by actual incurred expenses each year.

## Marketing Results

Carrier	Quote Offered	Comments
PERMA	Yes	Guaranteed Cost and High Deductible Options
Travelers	No	Declined to Quote
NYSIF	TBD	Pending Quote
PMA	No	Declined due to UW appetite
Strategic Comp	No	Cannot cover Policy/Fire
Amtrust	No	Declined due to operations
Liberty	No	Declined due to operations
Chubb	No	Declined due to operations
Sentry	No	Declined due to operations
MEMIC	No	Declined due to operations



# Workers Comp Account Service Team

## Lawley

361 Delaware Ave.  
Buffalo, NY 14202

Phone: 716.849.8618

Toll Free: 800.860.5741

Fax: 866.211.4683

[www.lawleyinsurance.com](http://www.lawleyinsurance.com)

### Patrick Quinn, ARM

Insurance Advisor

(716) 849-4365

[pquinn@lawleyinsurance.com](mailto:pquinn@lawleyinsurance.com)

### Paul Hovey

Senior Loss Prevention Consultant

(716) 849-8667

[phovey@lawleyinsurance.com](mailto:phovey@lawleyinsurance.com)

### Neal Cunningham

Senior Claims Management Consultant

(716) 849-4323

[ncunningham@lawleyinsurance.com](mailto:ncunningham@lawleyinsurance.com)

### Patsy Fuller

Account Manager

(716) 849-1543

[pfuller@lawleyinsurance.com](mailto:pfuller@lawleyinsurance.com)

# Lawley