

Management Board

Tom Boone, Chairman/CEO
Mike Barragan, Vice-Chairman
Bill Maas, Treasurer
Jim Migliorino, Secretary
Jill Barragan, Member
Jim DiCello, Member
Ken Hicks, Member
Michelle Myers, Member

VALLEY SCHOOLS MANAGEMENT GROUP

MINUTES OF THE MEETING OF DECEMBER 13, 2023

1. Tom Boone, Chairman, called the meeting to order at 11:38 a.m.
2. Board Members Present:
Tom Boone, Chairman/CEO
Mike Barragan, Vice-Chairman
Bill Maas, Treasurer
Jim Migliorino, Secretary
Jill Barragan, Member
Jim DiCello, Member
Ken Hicks, Member

Board Members Absent:
Michelle Myers, Member

Staff Present:
Lisa Dessenberger, Executive Assistant
Tom Elliott, Executive Director Member Services
Laura Felten, Chief Financial Officer
Raquel Flores, Administrative Assistant
Jodi Jerich, General Counsel
Kristine Mutlak, Administrative Assistant
Leigh Steele, Director Marketing and Communications
Kendall Taylor, Executive Director Health and Wellness Services

Guests Present:
Meaghan Dell'Artino, Lobbyist – Public Policy Partners
Gretchen Jacobs, Lobbyist – Arizona Governmental Affairs

3. Approval of the minutes of the VSMG Board meeting held on October 25, 2023.

MOTION: Ken Hicks SECOND: Bill Maas VOTE: 7-0-0-1

Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jill Barragan – <u>yes</u>
Jim DiCello – <u>yes</u>	Ken Hicks – <u>yes</u>	Bill Maas – <u>yes</u>
Jim Migliorino – <u>yes</u>	Michelle Myers – <u>absent</u>	

4. Approval of the VSMG Executive Session meeting held on October 25, 2023.

MOTION: Ken Hicks SECOND: Mike Barragan VOTE: 7-0-0-1

Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jill Barragan – <u>yes</u>
Jim DiCello – <u>yes</u>	Ken Hicks – <u>yes</u>	Bill Maas – <u>yes</u>
Jim Migliorino – <u>yes</u>	Michelle Myers – <u>absent</u>	

5. Legislative update – Meaghan Dell'Artino and Gretchen Jacobs.
Jodi Jerich introduced the Valley Schools lobbyists.

Meaghan Dell'Artino noted the 24th Legislative Session is scheduled to begin in January 2024 and spoke about various issues continually being addressed at the State Legislature. She provided an update on the state revenue situation, an overview of what is taking place at the State Capitol, and reviewed several bills that will be brought to the legislature. Board Members asked questions, and discussion took place.

Gretchen Jacobs gave an update on the current Speaker of the House and shared information regarding various leadership races.

6. Approval of the Valley Schools Insurance Group ("VSIG"), Valley Schools Workers' Group ("VSWCG"), Valley Schools Employee Benefits Group ("VSEBG"), and Valley Schools Management Group ("VSMG") financial statements for the months of July 2023, August 2023, September 2023, and October 2023 – Laura Felten.

Laura Felten met with Sage Advisory recently, and they stated that November was a good month for bonds. The change in market value has been negative; however, rates are not being raised. Sage Advisory added even if rates hold, the market earnings will stay where they are currently.



VSIG – Laura Felten reviewed the VSIG financial statements in detail. She noted some points regarding contributions and discussed claims. She also provided a comparison against last year's claims totals. Mike Barragan asked why the cost of reinsurance is reflected in revenue, and Laura explained.

VSWCG – Laura Felten reviewed the VSWCG financial statements in detail.

VSEBG – Laura Felten reviewed the VSEBG financial statements in detail, making specific notes about the Wellness budget. Mike Barragan asked a question regarding dental claims and inquired if there would be an increase in the dental pool, and a discussion took place. Tom Elliott concluded that dental claims typically run higher at this time of year as many claims happen in July and are not recorded until October.

VSMG – Laura Felten reviewed the VSMG financial statements in detail.

Jill Barragan temporarily stepped out of the room and was unavailable for the vote.

MOTION: <u>Jim DiCello</u>	SECOND: <u>Mike Barragan</u>	VOTE: <u>6-0-0-2</u>
Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jill Barragan – <u>absent</u>
Jim DiCello – <u>yes</u>	Ken Hicks – <u>yes</u>	Bill Maas – <u>yes</u>
Jim Migliorino – <u>yes</u>	Michelle Myers – <u>absent</u>	

7. Discuss/review Valley Schools Insurance Group, Valley Schools Workers' Compensation Group, Valley Schools Employee Benefits Group, and Valley Schools Management Group Audit Reports for year-end June 30, 2023 – Jim DiCello/Laura Felten.

This agenda item was tabled until the February 21, 2024, VSMG Board meeting.

8. Discuss/review Sage Annual Report – Laura Felten.

Laura Felten reviewed the Sage Annual Report, noting that the report layout is the same as in prior years. She reviewed some areas that were added to the report. She discussed the returns. Tom Boone noted a key takeaway regarding Valley Schools and the Local Government Pool and discussed the comparison. Laura concluded by stating that Sage Advisory is available to come to the February VSMG Board meeting, and if anyone has an interest in this, to let her know, and she will make the arrangements.

9. Key Performance Indicators (KPIs) for the calendar year 2024 – Tom Boone.

Tom Boone reviewed the KPI goals for the calendar year 2024. He discussed the reasoning for several of the goals, specifically pertaining to growth. Discussion took place. RFPs were also discussed. Bill Maas spoke about the organizations that Valley Schools sponsors and is partnering with strategically.

10. WellStyles Annual Performance Report – Kendall Taylor.

Kendall Taylor provided an annual overview of the Health and Wellness Services department. She highlighted several areas of growth and reviewed the services for years 1-3. She talked about some pilot programs that are scheduled to begin in 2024, along with several other goals slated for the coming year.

11. Chairman/CEO summary report and update – Tom Boone.

Tom Boone reviewed the next VSMG Board meeting date and thanked the Board for their service, wishing all a happy holiday season.

12. Board Member comments.

Mike Barragan gave accolades to Jerry Cipriano and the marketing team for the presentation at the Personnel Conference. Jill Barragan, Ken Hicks, Jim DiCello, Bill Maas, and Jim Migliorino all expressed thanks to the staff and happy holidays to all.

13. Motion to convene Executive Session pursuant to A.R.S. § 38-431.03(A)(3) and (A)(4) for the purpose of discussion and consultation with legal counsel regarding WESD RFP No. 22.033 and;

A.R.S. § 38-431.03(A)(3) and (A)(4) for the purpose of discussion and consultation with legal counsel regarding prescription rebates.

MOTION: Jill Barragan

SECOND: Jim DiCello

VOTE: 7-0-0-1

Tom Boone – yes

Mike Barragan – yes

Jill Barragan – yes

Jim DiCello – yes

Ken Hicks – yes

Bill Maas – yes

Jim Migliorino – yes

Michelle Myers – absent

Executive Session convened at 1:43 p.m.

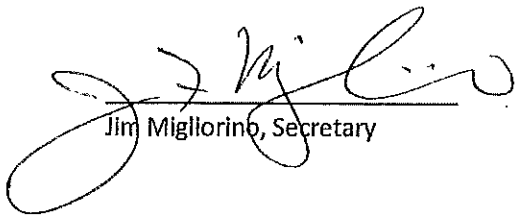
14. Returned to regular session at 2:10 p.m.

15. Possible action from Executive Session.

No action was taken after the Executive Session.

16. The meeting adjourned at 2:12 p.m.

Respectfully submitted,



Jim Miglorino, Secretary

JM/lad