



VALLEY SCHOOLS WORKERS' COMPENSATION GROUP

VALLEY SCHOOLS INSURANCE GROUP

VALLEY SCHOOLS EMPLOYEE BENEFITS GROUP

Management Board:

*Tom Boone, Chairman/CEO*

*Jim DiCello, Vice-Chairman*

*Bill Maas, Secretary-Treasurer*

*Jill Barragan, Member*

*Mike Barragan, Member*

*Ken Hicks, Member*

*Jim Migliorino, Member*

*Michelle Myers, Member*

**VALLEY SCHOOLS MANAGEMENT GROUP**

**MINUTES OF THE MEETING OF DECEMBER 15, 2021**

1. The meeting was called to order by Tom Boone, Chairman, at 11:40 a.m.

2. **Board Members Present:**

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

**Staff Present:**

- Lisa Dessenberger, Executive Assistant
- Tom Elliott, Executive Director Member Services (attended via Zoom)
- Laura Felten, Chief Financial Officer
- Jodi Jerich, General Counsel
- Kendall Taylor, Executive Director Health and Wellness Services

3. Approval of the minutes of the VSMG Board meeting held on October 27, 2021.

MOTION: Ken Hicks

SECOND: Jim DiCello

VOTE: 8-0-0-0

Tom Boone – yes

Mike Barragan – yes

Jim Migliorino - yes

Bill Maas – yes

Jim DiCello – yes

Michelle Myers - yes

Jill Barragan – yes

Ken Hicks– yes

4. Approval of the Valley Schools Insurance Group, Valley Schools Workers' Compensation Group, Valley Schools Employee Benefits Group, and Valley Schools Management Group financial statements for the months of October 2021 and November 2021 – Laura Felten.

VSIG – Laura Felten reviewed the VSIG financial statements in detail, stating all adjustments have been made through the 30<sup>th</sup> of the month. Cash investments are largest portion of the assets. Liabilities are noted in the reserves for claims. Last year claims were down for all groups at June 30<sup>th</sup>. Claims are currently down slightly, however, are still being watched closely. Revenues are performing as expected.

VSWCG – Laura Felten reviewed the VSWCG financial statements in detail. The majority of money sits in investments. Liabilities are mostly claims payables. Non-operating revenue is currently positive. She reviewed the trends.

VSEBG – Laura Felten reviewed the VSEBG financial statements in detail. She notes the Employee Benefits Group had a good year and stated the majority of assets are in cash and investments. The largest part of liability is unearned revenue. Claims in VSEBG are up from last year at this time. Most members claims have increased across the board for this month, however, overall averages are on trend. Trend for the non-operating revenue is outpacing our change in market value. Jim DiCello said there would not be any return of contributions for this year and Laura concurred.

VSMG – Laura Felten reviewed the VSMG financial statements in detail. The majority of assets are in cash and investments and majority of liabilities are for compensated absences. She noted insurance premiums are over budget.

MOTION: Jim DiCello                      SECOND: Mike Barragan      VOTE: 8-0-0-0

Tom Boone – yes  
Bill Maas – yes  
Jill Barragan – yes

Mike Barragan – yes  
Jim DiCello – yes  
Ken Hicks – yes

Jim Migliorino - yes  
Michelle Myers - yes

5. 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, 2021 – Jim DiCello/Laura Felten.

Jim DiCello reviewed the audits with the Board, noting investments market value has declined quite a bit since June 2021. This will affect VSIG, VSWCG and VSEBG in particular.

All three groups have what is called "unmodified opinion". He stated this used to be called an unqualified opinion.

Valley Schools Insurance Group has a 17% reinsurance for the year and trends show we will continue to experience the same thing this year. Operating expenses decreased. Steve Harris is retiring from REDW at the end of the year and Laura Felten and Jim DiCello have met with his replacement.

Valley Schools Workers' Compensation Group is the star of the three groups, as the net position went up significantly. Operating expenses dropped and investment income dropped. Jim DiCello provided an explanation.

Valley Schools Employee Benefits Group net position went up due to increase in contributions. Operating expenses went up too. Contributions are up 13% from previous year. Investment income is down from previous year. Bill Maas inquired about investment income and Jim DiCello responded. He stated the bond market was horrible and this was noted in the audits. Jim Migliorino asked several questions about investments and a discussion took place about the Valley Schools Investment Policy.

Valley Schools Management Group is a clean opinion, however, he pointed out it is on a cash basis. VSMG has to accrue the liability of the Arizona State Retirement System. He stated that Revenue is up and salaries and benefits stayed the same. A positive change in net position was accumulated. The final auditor's memo reported that the Management Group cooperation was very good, there were no items with significant changes or difficulties, and that this is a testament to the Valley Schools staff.

Jim DiCello concluded with the announcement that the audits have been filed with the Arizona Department of Insurance.

Tom Boone turned the meeting over to Vice-Chairman, Jim DiCello.

6. Review Valley Schools Insurance Group/Valley Schools Workers' Compensation Group Annual Report – Tom Elliott.

Tom Elliott reviewed the VSIG/VSWCG Annual Report with the Board and highlighted a few specific areas. He stated the VSIG total incurred claims went up and incurred claims in Workers' Compensation dropped. Paid claims in both groups dropped as did legal fees. A few questions were asked and discussion took place.

Jill Barragan left the meeting at 12:35 p.m.

7. Executive Director Member Services summary update – Tom Elliott.

Tom Elliott reviewed the summary of the medical plan experience report with the Board. Specific members were addressed and discussion took place. All health plans have been completed with members. Renewal meetings have already begun with the

majority of them scheduled to take place in January. The VSEBG study session and annual holiday luncheon were well attended and went well.

8. Marketing/Sales summary update – Sheri Gilbert.

Sheri Gilbert was not at the meeting, so Tom Boone provided a summary update on Marketing and Sales. He reviewed self-insured medical gains. Several discussions took place.

9. Key Performance Indicators (KPI's) – Tom Boone.

Tom Boone reviewed the KPI goals document with the Board. Kendall discussed many of the goals for the Wellness department and discussion took place.

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

Tom Boone reviewed upcoming conferences on the calendar. He thanked the Board for their service and wished them all a safe and happy holiday season.

11. Board Member comments.

Michelle Myers thanked the Board and wished everyone a happy and safe holiday. Mike Barragan, Jim Migliorino and Bill Maas expressed the same. Ken Hicks shared some info about a meeting he was in with ASRS, and talked about information regarding Dysart Unified School District and vouchers.

12. The meeting adjourned at 2:03 p.m.

Respectfully submitted,



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Bill Maas, Secretary-Treasurer