



VALLEY SCHOOLS WORKERS'
COMPENSATION GROUP

VALLEY SCHOOLS
INSURANCE GROUP

VALLEY SCHOOLS
EMPLOYEE BENEFITS GROUP

Management Board:

Tom Boone, Chairman/CEO

Laura Felten, Vice-Chairman

Bill Maas, Secretary-Treasurer

Mike Barragan, Member

Jim DiCello, Member

Jim Migliorino, Member

Michelle Myers, Member

VALLEY SCHOOLS MANAGEMENT GROUP

MINUTES OF THE MEETING OF DECEMBER 16, 2020

1. The meeting was called to order by Tom Boone, Chairman, at 11:41 a.m.

2. **Board Members Present:**

Tom Boone, Chairman/CEO

Laura Felten, Vice-Chairman (attended via Zoom)

Bill Maas, Secretary-Treasurer

Mike Barragan, Member

Jim DiCello, Member

Jim Migliorino, Member

Michelle Myers, Member (attended via Zoom)

Staff Present:

Dan Davison, Chief Financial Officer

Lisa Dessenberger, Executive Assistant

Tom Elliott, Executive Director Member Services

Sheri Gilbert, Marketing Director (attended via Zoom)

Jodi Jerich, General Counsel (attended via Zoom)

Kendall Taylor, Wellness Director (attended via Zoom)

3. Approval of the minutes of the VSMG Board meeting held on October 28, 2020.

MOTION: Jim DiCello

SECOND: Jim Migliorino

VOTE: 7-0-0-0

Tom Boone – yes

Mike Barragan – yes

Michelle Myers - yes

Laura Felten – yes

Jim DiCello - yes

Bill Maas – yes

Jim Migliorino– yes

4. Approval of the minutes of the VSMG Executive Session held on October 28, 2020.

MOTION: Jim DiCello SECOND: Bill Maas VOTE: 7-0-0-0
Tom Boone – yes Mike Barragan – yes Michelle Myers - yes
Laura Felten – yes Jim DiCello - yes
Bill Maas – yes Jim Migliorino– yes

5. Motion to convene Executive Session, pursuant to A.R.S. § 38-431.03.A.1–Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body; for the purpose of filling board vacancies and officer positions.

MOTION: Jim DiCello SECOND: Jim Migliorino VOTE: 7-0-0-0
Tom Boone – yes Mike Barragan – yes Michelle Myers - yes
Laura Felten – yes Jim DiCello - yes
Bill Maas – yes Jim Migliorino– yes

Executive Session convened at 11:45 a.m.

6. Returned to regular session at 12:34 p.m.

7. Possible action from Executive Session.

The following motion was made after Executive Session:

"I move to have the Chairman/CEO invite a potential Director to join the VSMG Board as discussed in Executive Session."

MOTION: Jim DiCello SECOND: Jim Migliorino VOTE: 7-0-0-0
Tom Boone – yes Mike Barragan – yes Michelle Myers - yes
Laura Felten – yes Jim DiCello - yes
Bill Maas – yes Jim Migliorino– yes

8. Approval of the Valley Schools Insurance Group ("VSIG"), Valley Schools Workers' Compensation Group ("VSWCG"), Valley Schools Employee Benefits Group ("VSEBG"), and Valley Schools Management Group ("VSMG") financial statements for the months of October 2020 and November 2020 – Dan Davison.

VSIG – Dan Davison reviewed the VSIG financial statements in detail. He noted contributions on the statements reflect one month of the Prepaid COVID-19 Legal. A brief discussion took place.

VSWCP – Dan Davison reviewed the VSWCG financial statements in detail, stating the largest asset is at Morgan Stanley and the largest liability is the unallocated loss adjustment /claims payable. He pointed out the Subrogation total is high mainly due to the one member.

VSEBG – Dan Davison reviewed the VSEBG financial statements in detail, noting the largest asset is at Morgan Stanley and the largest liability is unearned revenue/prepaid contributions. Mike Barragan inquired about the Stop Loss Reimbursement and a brief discussion took place. Bill Maas asked if COVID-19 has had a positive or negative impact on the financials and Tom Elliott answered there are both costs and savings associated with COVID-19 and a further explanation was provided. Tom Boone added there are less claims being processed overall, and Jodi Jerich reviewed some additional data. Bill Maas said Members should be budgeting for when the pandemic is over and preparing for elective surgeries to increase. Tom Elliott said that Member renewal meetings are scheduled to begin in January 2021, and he will ensure that point is addressed at those meetings.

VSMG – Dan Davison reviewed the VSMG financial statements in detail.

MOTION: Jim DiCello

SECOND: Bill Maas

VOTE: 7-0-0-0

Tom Boone – yes

Mike Barragan – yes

Michelle Myers - yes

Laura Felten – yes

Jim DiCello - yes

Bill Maas – yes

Jim Migliorino– yes

9. Discuss/Review Valley Schools Insurance Group, Valley Schools Workers' Compensation Group and Valley Schools Employee Benefits Group Audit Reports for year-end June 30, 2020 – Jim DiCello/Dan Davison.

Jim DiCello reviewed the year-end June 30,2020 audit reports for the VSIG, VSWCG and VSEBG, noting the wrap up audit meeting with REDW went well.

VSIG – He stated that all entities received unqualified opinions. He added that VSIG had a positive year.

VSWCG – VSWCG had a huge increase in net position due to Glendale Elementary School District coming on board with the Workers' Compensation Group. He stated the non-operating expenses increased due to positive change in market value, noting this was for all three groups.

VSEBG – He reviewed the financial highlights for VSEBG and noted the flat number of claims from the previous year helped keep the numbers lower and stated VSEBG had a return of net position and a return of contribution.

Jim DiCello said REDW has audited Valley Schools for 9 years and does a very good job. Dan Davison concurred, adding they have good quality education for the staff.

All audits are now complete and will be filed with the AZ Department of Insurance before the end of the year.

10. Key Performance Indicators (KPI's) for calendar year 2021 – Tom Boone.

Tom Boone discussed and reviewed the KPI's for the calendar year 2021. Goals for VSEBG and Wellness were talked about in detail. Various discussions for each KPI category took place. Tom Boone stated, because of COVID-19 and the enrollment numbers fluctuating at the Districts, it is difficult to project what the actual numbers could be for next year. Bill Maas added one Member he has spoken to anticipated a loss of students. Mike Barragan also shared some statistics for Glendale Elementary School District. Tom Boone said Valley Schools is cautiously optimistic about growth for 2021. Tom Elliott also indicated he is positive about growth.

Kendall Taylor stated the Wellness goals were modest due to the current situation with COVID-19. She reviewed the registration totals vs the projected registration. Mike Barragan said he appreciates the job the Valley Schools Wellness Team does and has received positive feedback from his Human Resources Department.

Dan Davison and Tom Boone reviewed the Return on Investments. Mike Barragan commended staff for the effort taken to get Members to pre-pay, pointing out they earn so much more interest. He also stated he has received positive feedback from others about the interest earnings.

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

Tom Boone discussed a list of the 2021 conferences that have released dates. He informed the Board the 2021 UHC renewal was done and reviewed some additional benefits and enhancements that were added to the renewal contract. He shared Kairos has officially terminated their relationship with Blue Cross/Blue Shield and is now using UMR/UHC for their medical network.

12. Board Member comments.

Board Members wished each other a happy holiday season and New Year. Jim Migliorino acknowledged and honored Ted Carpenter for his service to the Organization through the years and the entire Board echoed the sentiment. Tom Boone shared some details about Mr. Carpenter's Memorial service and asked everyone to keep the Carpenter family in their thoughts and prayers.

13. The meeting adjourned at 1:49 p.m.

Respectfully submitted,



Bill Maas, Secretary

BM/ad