



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

Ted Carpenter, Member

Jim DiCello, Member

Jim Migliorino, Jr., Member

Michelle Myers, Member

VALLEY SCHOOLS MANAGEMENT GROUP

MINUTES OF THE MEETING OF DECEMBER 18, 2019

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

Bill Maas, Secretary-Treasurer

Mike Barragan, Member

Ted Carpenter, Member (arrived at 12:00 p.m.)

Jim DiCello, Member

Jim Migliorino, Jr., Member

Michelle Myers, Member

Staff Present:

Dan Davison, Chief Financial Officer

Lisa Dessenberger, Executive Assistant

Tom Elliott, Executive Director Member Services

Sheri Gilbert, Marketing Director

Kendall Taylor, Wellness Director

Jodi Jerich, General Counsel

3. Approval of the minutes of the VSMG Board meeting held on October 30, 2019.

MOTION: Jim DiCello

SECOND: Jim Migliorino

VOTE: 7-0-0-1

Tom Boone – yes

Laura Felten – yes

Bill Maas – yes

Mike Barragan – yes

Ted Carpenter – absent

Jim DiCello – yes

Jim Migliorino, Jr. – yes

Michelle Myers – yes

4. Approval of the minutes of the VSMG Executive Sessions held on October 30, 2019.

MOTION: Jim DiCello SECOND: Bill Maas VOTE: 6-0-1-1
Tom Boone – yes Mike Barragan – abstained Jim Migliorino, Jr. - yes
Laura Felten – yes Ted Carpenter – absent Michelle Myers - yes
Bill Maas – yes Jim DiCello – yes

5. 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 2019 and November 2019 – Dan Davison.

VSIG – Dan Davison reviewed the Valley Schools Insurance Group financial statements. Jim Migliorino looked at the cost of reinsurance and noted Deer Valley Unified School District hasn't adjusted their budget for the past increases. Tom Boone and Dan Davison provided some additional details pertaining to consulting fees. A short discussion took place.

VSWCG – Dan Davison reviewed the Valley Schools Workers' Compensation Group financial statements. Mike Barragan asked if Glendale Elementary School District was included in the VSWCG financials and Dan Davison answered yes. Jim Migliorino said the overall trend is high. Tom Boone agreed, noting there have been many high claims. Tom Boone added a greater discussion will take place around claims and claims trend at the February 2020 Board meeting.

VSEBG – Dan Davison reviewed the Valley Schools Employee Benefits Group financial statements. Jim Migliorino noted the claims look good for VSEBG. Tom Elliott said VSEBG claims are running 6 points less than last year.

VSMG – Dan Davison reviewed the Valley Schools Management Group financial statements.

MOTION: Jim DiCello SECOND: Laura Felten VOTE: 8-0-0-0
Tom Boone – yes Mike Barragan – yes Jim Migliorino, Jr. - yes
Laura Felten – yes Ted Carpenter – yes Michelle Myers - yes
Bill Maas – yes Jim DiCello – yes

6. Discuss/Review Valley Schools Insurance Group and Valley Schools Employee Benefits Group Audit Reports for year-end June 30, 2019 – Jim DiCello/Dan Davison.

Jim DiCello informed the Board that all audits have been submitted to the Arizona Department of Insurance as of December 9, 2019.

Jim DiCello provided a detailed explanation of the opinion for the Valley Schools Employee Benefits and Valley Schools Insurance Group audits then reviewed each audit in detail. Tom Boone said the investment gain/loss is both interest income and change in market value, with Jim DiCello concluding investment gain for both entities is very positive at the end of June, 2019.

Tom Boone indicated, Valley Schools Insurance Group is the legal owner of Blackhawk building, noting the large suite on the first floor has been rented to a long term tenant who signed a five-year deal. Lease revenue on the audit doesn't show this as the tenant just moved in at the beginning of December.

Jim stated the Arizona Department of Insurance five-year audit review will take place at some point in 2020 and the audit period will cover from July 1, 2014 - June 30, 2019.

7. Review Valley Schools Insurance Group/Valley Schools Workers' Compensation Group Annual Report, June 30, 2019– Tom Bock/Deborah Baker.

Due to staff member illness, this agenda item was held and will be brought back to the Board for review at the February 26, 2020 Board meeting.

8. Key Performance Indicators (KPI's) for calendar year 2020 – Tom Boone.

KPI handouts were provided to Board members. The revised mission statement was reviewed. Tom Boone said Valley Schools continues to spend money on our Wellness Program. A review of goals that were set from January 2019 were covered comparing the actual stats ended at as of September 30, 2019. A discussion took place.

Kendall Taylor defined registration participation and the percentage of lives served within WellStyles and explained the parameters of the program. She stated that the Valley Schools book of business for Virgin Pulse is higher than their average book of business for people engaged in participation. She added the Wellness goals for 2020 are aggressive, however, believes these goals are attainable. Various strategies were reviewed by Tom Boone.

Tom Elliott talked about growth and registration. Mike Barragan said he considers this a win as the percent above the book of business is positive. Bill Maas stated he had an opportunity to give a presentation to an influential organization and thanked Kendall for putting together valuable material to present to the group.

Bill Maas opened a discussion about future marketing, saying Valley Schools needs a goal for what we are going to do to market other products and services. Feedback, thoughts and ideas were shared by the group about moving forward.

A discussion also took place regarding expanding the VSEBG. Two Board members volunteered to develop ideas in more detail.

9. Chairman/CEO report – Tom Boone.

Tom Boone reviewed the upcoming calendar of events and provided a general update to the Board members.

10. Board Member comments.

Laura Felten thanked Valley Schools staff for coming out to speak to the Paradise Valley Unified School District Cabinet about the great products Valley Schools offers. She noted it was an informative meeting and Valley Schools was received well, encouraging Valley Schools to do this type of meetings with other members. Michelle Myers stated Dr. Jason Reynolds has been named the Peoria Unified School District Superintendent, effective July 1, 2020. She also thanked Tom Elliott for coming to the District and presenting information on Valley Schools to their Board. Bill Maas, Jim Migliorino, Ted Carpenter and Mike Barragan wished everyone a happy holiday and commended staff for their effort and hard work.

11. The meeting adjourned at 2:03 P.M.

Respectfully submitted,

Bill Maas

Bill Maas, Secretary