



VALLEY SCHOOLS

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 22, 2022

1. The meeting was called to order by Tom Boone, Chairman, at 10:05 a.m.

2. **Board Members Present:**

Tom Boone, Chairman/CEO

Jim DiCello, Vice-Chairman (attended via Zoom)

Bill Maas, Secretary-Treasurer

Jill Barragan, Member (attended via Zoom)

Mike Barragan, Member (attended via Zoom)

Ken Hicks, Member

Jim Migliorino, Member

Michelle Myers, Member (attended via Zoom)

Staff Present:

Lisa Dessenberger, Executive Assistant

Jodi Jerich, General Counsel

3. 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 long-term planning and renewal of the employment contract of the Chairman/CEO.

MOTION: Mike Barragan

SECOND: Jim DiCello

VOTE: 8-0-0-0

Tom Boone – yes

Mike Barragan – yes

Jill Barragan – yes

Jim DiCello – yes

Ken Hicks – yes

Bill Maas – yes

Jim Migliorino – yes

Michelle Myers – yes

Executive Session #1 convened at 10:07 a.m.

4. Returned to Regular Session at 11:00 a.m.
5. Possible action from Executive Session.

The following motion was made:

"I move that the employment contract of the Chairman/CEO be extended through and including June 30, 2026, as discussed in Executive Session, and authorize Mr. Bill Maas, Secretary-Treasurer, to sign any necessary written agreements."

MOTION: <u>Ken Hicks</u>	SECOND: <u>Mike Barragan</u>	VOTE: <u>7-0-1-0</u>
Tom Boone – <u>abstain</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>yes</u>	

6. 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 and discussion for the purpose of the appointment or reappointment of Director(s), and;

A.R.S. §38-431.03(A)(3) – Discussion or consultation for legal advice with the attorney or attorneys of the public body for the purpose of the appointment or reappointment of Director(s).

MOTION: <u>Mike Barragan</u>	SECOND: <u>Ken Hicks</u>	VOTE: <u>8-0-0-0</u>
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>yes</u>	

Executive Session #2 convened at 11:01 a.m.

7. Returned to Regular Session at 11:13 a.m.

8. Possible action from Executive Session.

The following motion was made:

“Pursuant to Article III, Section 3 of the VSMG Bylaws, I move that Ken Hicks be appointed to the VSMG Board of Directors as a Permanent Director, effective immediately.”

MOTION: Bill Maas

SECOND: Mike Barragan

VOTE: 7-0-1-0

Tom Boone – yes

Mike Barragan – yes

Jill Barragan – yes

Jim DiCello – yes

Ken Hicks -abstain

Bill Maas – yes

Jim Migliorino – yes

Michelle Myers – yes

9. The meeting adjourned at 11:15 a.m.

Respectfully submitted,



Bill Maas, Secretary-Treasurer.



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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, 2022

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

2. **Board Members Present:**

Tom Boone, Chairman/CEO

Jim DiCello, Vice-Chairman

Bill Maas, Secretary-Treasurer

Jill Barragan, Member

Mike Barragan, Member

Ken Hicks, Member

Michelle Myers, Member

Board Members Absent:

Jim Migliorino, 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

Leigh Steele, Director Marketing and Communications

Kendall Taylor, Executive Director Health and Wellness Services

Guests Present:

Meaghan Dell'Artino, Lobbyist – Public Policy Partners

Raj Gangadean, Partner – Spencer Fane LLP

Gretchen Jacobs, Lobbyist – Arizona Governmental Affairs

Tom Boone informed the Board that the agenda items after item #6 would be rearranged due to scheduling conflicts.

3. Approval of the minutes of the VSMG Board meeting held on October 19, 2022.

MOTION: <u>Jim DiCello</u>	SECOND: <u>Mike Barragan</u>	VOTE: <u>7-0-0-1</u>
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>absent</u>	Michelle Myers – <u>yes</u>	

4. Approval of the VSMG Executive Session meeting held on October 19, 2022.

MOTION: <u>Jim DiCello</u>	SECOND: <u>Mike Barragan</u>	VOTE: <u>7-0-0-1</u>
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>absent</u>	Michelle Myers – <u>yes</u>	

5. Legislative update – Meaghan Dell’Artino and Gretchen Jacobs.

Meaghan Dell’Artino provided an update on various topics being addressed at the State Legislature. She reviewed several election results. She covered who was voted into House and Senate Leadership positions and provided an update on several meetings she has had with new incoming legislators.

Gretchen Jacobs covered pertinent issues pertaining to health care. She shared some information about the new Health Committee Chairman. She reviewed some information regarding health insurance and talked about a newly formed Rural Schools group, providing details about that group. A possible special legislative session was also discussed. She then communicated some information and experiences she had while attending the national ALEC Conference.

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 September 2022, October 2022, and November 2022 – Laura Felten.

VSIG – Laura Felten reviewed the VSIG financial statements in detail, noting there has been an increase in claims. She pointed out that VSIG claims are currently high due to weather-related issues.

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

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

VSMG – Laura Felten reviewed the VSMG financial statements in detail, stating that expenses are within budget. She pointed out that interest income is very good.

Bill Maas asked a question about investment, and a short discussion took place about interest rates and bonds.

Laura Felten reminded the Board about the Sage Investment Conference taking place in March 2023.

MOTION: Jim DiCello SECOND: Mike Barragan VOTE: 6-0-1-1

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>absent</u>	Michelle Myers – <u>abstain</u>	

Due to scheduling conflicts, the first and third items of the Executive Session are being moved up on the agenda and are now agenda item #7. The Board took a short break at 12:32 p.m.

7. Motion to convene Executive Session, pursuant to:

A.R.S. §38-431.03(A)(3) – Discussion or consultation with counsel for legal advice regarding Board Member conflicts of interest, and;

A.R.S. §38-431.03(A)(3) – Discussion or consultation with counsel for legal advice for the purpose of long-term planning and possible changes to business models and organizational structure, and changes to the Bylaws.

MOTION: Jill Barragan 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>absent</u>	Michelle Myers – <u>yes</u>	

Executive Session #1 convened at 12:45 p.m.

8. Returned to regular session at 2:15 p.m.
9. Possible action from Executive Session.

There was no action taken after Executive Session #1.

10. 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, 2022 – Jim DiCello/Laura Felten.

This agenda item was tabled until the February 15, 2023, VSMG Board meeting.

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

Laura Felten reviewed the Sage Annual Report, noting that this year's report is similar to the prior report. She reminded the Board that all of this data goes back to June 30, 2022. She stated that no changes to the portfolio are expected, and it has been very stable. She pointed out the difference between market price vs. book value price, adding that Sage invests to meet the cash flow needs of the Organization, and anything beyond that is a long-term investment.

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

12. Key Performance Indicators (KPIs) for the calendar year 2023 – Tom Boone.

Tom Boone reviewed the KPI goals for the 2023 calendar year. He noted these goals were updated as a result of the discussion from the October 19, 2022 VSG Board meeting. He reviewed some updates to the data and a short discussion took place.

13. Executive Director Health and Wellness Services summary report and update – Kendall Taylor.

Kendall Taylor reviewed goals vs. current progress for the Wellstyles program. She reviewed total savings and noted there was a large return to care. She reviewed several services that are being expanded and shared several review processes that have been put in place. She discussed healthcare technology and other programs being implemented. A short discussion took place pertaining to claims savings. Tom Boone talked about specialty drugs and gene and cell therapy, and further discussion took place.

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

Tom Boone reviewed the next VSMG Board meeting date and the list of conferences for the first quarter of 2023. He reminded the Board about the Sage Investment Conference taking place in March 2023 and encouraged them to attend.

15. Board Member comments.

Ken Hicks wished everyone a happy holiday and thanked everyone for everything they do. Mike Barragan echoed Ken’s sentiment. Jim DiCello talked about a scheduling conflict pertaining to the April Board meeting, and a short discussion took place.

Michelle Myers left the meeting at 3:00 p.m.

Mr. Boone informed the Board that a portion of Executive Session #2 is being tabled.

16. 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 and discussion for the purpose of the appointment or reappointment of Director(s), and; (THIS ITEM WAS TABLED)

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 long-term planning and renewal of the employment contract of the Chairman/CEO.

MOTION: Jill Barragan SECOND: Mike Barragan VOTE: 6-0-0-2

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>absent</u>	Michelle Myers – <u>absent</u>	

Executive Session #2 convened at 3:05 p.m.

17. Returned to regular session at 3:37 p.m.

18. Possible action from Executive Session.

There was no action taken after Executive Session #2.

19. The meeting adjourned at 3:39 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Bill Maas". The signature is written in a cursive style with a horizontal line extending from the end of the name.

Bill Maas, Secretary-Treasurer