



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 FEBRUARY 15, 2023

1. The meeting was called to order by Tom Boone, Chairman, at 11:30 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

Jim Migliorino, 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

Leigh Steele, Director Marketing and Communications

Kendall Taylor, Executive Director Health and Wellness Services

3. Approval of the VSMG Board meeting minutes on December 15, 2022, and December 22, 2022.

Approval of the VSMG Board meeting minutes on December 15, 2022:

MOTION: <u>Jim DiCello</u>	SECOND: <u>Mike Barragan</u>	VOTE: <u>6-0-1-1</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>abstain</u>	Michelle Myers – <u>absent</u>	

Approval of the VSMG Board meeting minutes on December 22, 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>yes</u>	Michelle Myers – <u>absent</u>	

4. Approval of the VSMG Executive Session meetings held on December 15, 2022, and December 22, 2022.

Approval of the VSMG Executive Session meeting on December 15, 2022:

MOTION: <u>Jim DiCello</u>	SECOND: <u>Ken Hicks</u>	VOTE: <u>5-0-2-1</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>abstain</u>	Michelle Myers – <u>absent</u>	

Approval of the VSMG Executive Session meeting on December 22, 2022:

MOTION: <u>Jim DiCello</u>	SECOND: <u>Mike Barragan</u>	VOTE: <u>6-0-1-1</u>
Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jill Barragan – <u>yes</u>
Jim DiCello – <u>yes</u>	Ken Hicks - <u>abstain</u>	Bill Maas – <u>yes</u>
Jim Migliorino – <u>yes</u>	Michelle Myers – <u>absent</u>	

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 statement for the month of December 2022 - Laura Felten.

VSIG – Laura Felten reviewed the VSIG financial statements in detail. Jim Migliorino inquired about the possible need for contributions to be increased, and Laura stated she will be meeting with members to discuss this and reinsurance. A conversation took place regarding reinsurance. Mike Barragan stated that Cyber Security was also a challenge, and conversation took place. It was noted that School Districts are considered too risky in the market. Jim Migliorino added that he was told multi-factor authentication was part of the solution. Several ideas were discussed.

VSWCG – Laura Felten reviewed the VSWCG financial statements in detail. Bill Maas asked about unallocated loss adjustments and expenses, and a short discussion took place. Mike Barragan inquired about variance, and Laura addressed.

VSEBG – Laura Felten reviewed the VSEBG financial statements in detail, noting that claims are currently down.

VSMG – Laura Felten reviewed the VSMG Financial statements in detail

MOTION: Mike Barragan                      SECOND: Jim DiCello                      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>	

6. 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.

Jim DiCello reviewed the VSIG, VSWCG, VSEBG, and VSMG audits, noting that the auditors were very pleased overall. He reminded the Board that all three opinions are unmodified opinions and stated that the GASB 87 entry delayed the completion of the audits.

Laura Felten added that Steve Harris retired, and a new partner was added to REDW this year; however, the rest of the team were the same people we have worked with for the last several years.

VSIG – Jim DiCello reviewed the VSIG audit with the Board, stating it was a break-even year for this group.

VSWCG – Jim DiCello reviewed the VSWCG audit with the Board.

VSEBG -Jim DiCello reviewed the VSEBG audit with the Board. There was a positive change in net position.

VSMG – Jim DiCello reviewed the VSMG audit with the Board. He stated that this audit was modified as a result of the modified cash basis, noting that we don't recognize the pension liability (ASRS). There was a slight increase in net position. It was a clean opinion.

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

Tom Elliott discussed the VSEBG medical and dental summary reports. He reviewed various members, their claims data, and the medical program increases. He stated there was no increase in the dental pool or prepaid dental. He noted that Life insurance is increasing, and Mr. Boone added that this is because the loss ratio is high. Companies are now seeing claims for what took place during COVID.

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

Tom Boone reviewed the list of future conferences and reminded the Board of the April Board meeting date.

9. Board Member comments.

Bill Maas noted that the AASA conference is to take place soon, provided details.

Jim DiCello gave a report on his experience with the UHC Real Appeal program.

Ken Hicks acknowledged the VSEBG compliance conference, stated he has received positive feedback, and thanked the Valley Schools staff. He also acknowledged Kendall Taylor and thanked her and the Wellness Department for assistance she and her team have provided.

10. Motion to convene Executive Session pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of receiving legal advice from its legal counsel regarding WESD RFP 22.033 and potential related litigation.

MOTION: Ken Hicks

SECOND: Mike Barragan

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 12:38

11. Returned to Regular Session at 2:33 p.m.

12. Possible action from Executive Session.

There was no action taken after Executive Session.

13. The meeting adjourned at 2:35 p.m.

Respectfully submitted,



Bill Maas, Secretary-Treasurer