



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, Member

Michelle Myers, Member

VALLEY SCHOOLS MANAGEMENT GROUP

MINUTES OF THE MEETING OF FEBRUARY 26, 2020

REVISED 4/22/2020

1. The meeting was called to order by Tom Boone, Chairman, at 11:40 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 12:10 p.m.)

Jim DiCello, Member

Jim Migliorino, 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 December 18, 2019.

MOTION: Jim DiCello

SECOND: Mike Barragan

VOTE: 7-0-0-1

Tom Boone – yes

Mike Barragan – yes

Jim Migliorino - yes

Laura Felten – yes

Ted Carpenter – absent

Michelle Myers - yes

Bill Maas – yes

Jim DiCello – yes

4. 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 December 2019 and January 2020 – Dan Davison.

VSIG – Dan Davison reviewed the Valley Schools Insurance Group financial statements, pointing out the change in market value has increased by almost double due to market fluctuation. He stated it was the same for VSWCG and VSEBG. Tom Boone added rates are going down which means the market value will be going up. There is potential for the market to be volatile over the next few months. Mr. Davison is in constant communication with Sage Advisory regarding the situation and reminded the Board the change in market value is unrealized.

VSWCG – Dan Davison reviewed the Valley Schools Workers' Compensation Group financial statements, noting the largest asset Valley Schools currently has is with Morgan Stanley. Jim DiCello asked if the revenue and other activity for Glendale Elementary School District is reflected in the financial statements and Dan Davison said they are.

VSEBG – Dan Davison reviewed the Valley Schools Employee Benefits Group financial statements, adding there will be a couple of changes in the budget as a result of UnitedHealthcare being billed for Wellness expenses. This change will be reflected on the next month's financial statement.

VSMG – Dan Davison reviewed the Valley Schools Management Group financial statements. Jim DiCello asked about the insurance line item and Tom Boone stated this was paid once a year for building insurance and Errors and Omissions.

MOTION: Jim DiCello

SECOND: Laura Felten

VOTE: 7-0-0-1

Tom Boone – yes

Mike Barragan – yes

Jim Migliorino - yes

Laura Felten – yes

Ted Carpenter – absent

Michelle Myers - yes

Bill Maas – yes

Jim DiCello – yes

Tom Boone turned the meeting over to Vice-Chairman, Laura Felten.

5. Review/approve revised Fiscal Year 2019-20, Valley Schools Workers' Compensation Group ("VSWCG") budget for Glendale Elementary School District. – Dan Davison.

Dan Davison reviewed the revised VSWCG budget for Glendale Elementary School District ("GESD") in detail. He stated there was a slight adjustment for interest income and pointed out a projection for claims expenses for the year. A short discussion took place. The GESD information will be sent to Aon for an actuarial to be performed.

Jim Migliorino asked when this budget went into effect and Dan Davison stated the revised budget began as of July 1, 2020. Jim Migliorino inquired why it took so long to present this budget since GESD joined the VSWCG and Tom Boone reminded the Board a revised budget was scheduled to be brought back after we knew the actual numbers. Mike Barragan said when the original budget was approved there was discussion as to whether GESD was going to be incorporated with the other 3 founding districts or if they would stand alone and that decision was just recently made. Tom Boone stated GESD currently has a Third-Party Administrator ("TPA"), Tristar, and the fee for the TPA is included in the revised budget.

MOTION: Jim DiCello SECOND: Mike Barragan VOTE: 7-0-0-1

Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jim Migliorino - <u>yes</u>
Laura Felten – <u>yes</u>	Ted Carpenter – <u>absent</u>	Michelle Myers - <u>yes</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	

6. Review Valley Schools Insurance Group/Valley Schools Workers' Compensation Group Annual Report, June 30, 2019– Tom Elliott.

Tom Elliott reviewed the VSIG/VSWCG annual report, year end June 30, 2019 in detail.

VSIG – Tom Elliott stated the Auto Liability SIR was 1.5M and General Liability SIR \$1.25M. Overall legal fees have been dropping and there have been no major losses this year, however, claims are increasing. Items to reduce for specific claims are highlighted in the report, however, Mr. Elliott noted certain claims are no longer being covered, specifically sexual misconduct claims. Mike Barragan asked if there have been many of these type claims and if so what is the average cost of those claims. Jim DiCello noted he was aware of 17 claims that have been settled and a short discussion took place.

VSWCG – Total cost of risk is 16M. Jim DiCello stated this number will most likely increase next year. Claims are up approximately 10%. Mr. Elliott reviewed training efforts being done with our members. Distracted driving training has also been taking place and he has received good feedback on the program. Slips/trips/falls and struck/injured claims are currently the highest claims coming in. Laura Felten asked if this report will be taken to the Risk Management Review Board and Tom Elliott stated it is on the agenda for their next meeting.

7. Review/approve revision to Valley Schools Management Group Employee Policy Manual – Jodi Jerich.

Jodi Jerich reviewed the proposed changes to the VSMG Employee Policy Manual in detail. Ted Carpenter asked how many temporary employees Valley Schools has on staff. Jodi Jerich answered and also clarified employee classifications. Mike Barragan asked about the if this new language complied with Prop 206 for temporary employees, and Ms. Jerich answered that it does. ~~noted Valley Schools is not a political subdivision, therefore, is not excluded from the proposition.~~ Tom Boone provided an additional detailed explanation.

MOTION: Jim DiCello

SECOND: Bill Maas

VOTE: 8-0-0-0

Tom Boone – yes

Mike Barragan – yes

Jim Migliorino - yes

Laura Felten – yes

Ted Carpenter – yes

Michelle Myers - yes

Bill Maas – yes

Jim DiCello – yes

8. Executive Director Member Services update – Tom Elliott.

Tom Elliott reviewed two summary pages from the Experience Reports that were given to the Board. He briefly discussed various items for specific members and discussion took place. Open enrollments are currently being scheduled. He reviewed some of the new carriers being brought on board and talked about the significant savings taking place. Technology upgrades and implementation are also happening and our members are responding positively. Tom Boone added the Support Services Department is being strategic and the work and new technology being rolled out is an added value to our members. The VSEBG compliance seminar took place in February, was well attended and positive feedback was provided by many attendees. ACA 1095B have been accomplished and the 1095C have also been completed. Tom Boone commended Tom Elliott for the overall work he did on the renewals.

9. Marketing/Sales update – Sheri Gilbert.

Sheri Gilbert provided an update from the Marketing/Sales department. She commended Bill Maas for the efforts he has put forth out in the field. Marketing messages and target audiences were discussed. New Business was discussed as was new members recently added. Current prospects and prospective new members were talked about and new partnerships that have been formed were reviewed. She acknowledged several Board members for their assistance, support and references they have provided.

10. Wellness Services update – Kendall Taylor.

Kendall Taylor provided an update for the Wellness Services department. We have brought on a licensed clinical director and she has been a great value to Valley Schools and our members. A Wellness Support Specialist has also been added to the Wellness staff. Our Registered Dietitian and Wellness Coordinator have both completed an extensive year-long course and have obtained specialized certifications. She reviewed some of the onsite Wellness activities taking place within our member districts and talked about the Wellness platform currently being utilized by the members. New business was discussed. Different ideas are being looked at to help reduce claims and several of these solutions are currently in process. Some of the programs being implemented have potential to save our members a large amount of money. Jim Migliorino stated he has watched some testimonial video on these programs and noted they were powerful and compelling. Discussion took place.

11. Review/discuss revised Key Performance Indicators ("KPI") – Tom Boone.

Tom Boone reviewed the revised KPI document with the Board. The Wellness key performance indicators have been updated. Definitions were explained, and updated goals were discussed.

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

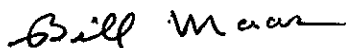
Tom Boone reviewed the calendar of events with the Board.

13. Board Member comments.

Ted Carpenter provided an update on various things and stated he is running for District 28 in the Arizona House of Representatives, adding he is also running for the Maricopa Community College Board. Bill Maas provided an update on some marketing events he and Jerry Cipriano have and are attending. Michelle Myers thanked Tom Elliott and his team for making a presentation to the Peoria Unified School District Budget Team. Jim DiCello shared an experience he had with the UnitedHealthcare Nurse Care management team.

14. The meeting adjourned at 1:31 p.m.

Respectfully submitted,



Bill Maas, Secretary