



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 APRIL 22, 2020

1. The meeting was called to order by Tom Boone, Chairman, at 11:33 A.M.

2. **Board Members Present:**

Tom Boone, Chairman/CEO

Laura Felten, Vice-Chairman (via Zoom)

Bill Maas, Secretary-Treasurer

Mike Barragan, Member (via Zoom)

Ted Carpenter, Member (via Zoom - joined at 12:10 p.m.)

Jim DiCello, Member (via Zoom)

Jim Migliorino, Member (via Zoom)

Michelle Myers, Member (via Zoom)

Staff Present:

Dan Davison, Chief Financial Officer (via Zoom)

Lisa Dessenberger, Executive Assistant

Patrick Dittman, Executive Director Contract Administration (via Zoom)

Tom Elliott, Executive Director Member Services

Sheri Gilbert, Marketing Director (via Zoom)

Kendall Taylor, Wellness Director (via Zoom)

Jodi Jerich, General Counsel (via Zoom)

Guests Present:

Jamison Davis, Hays Companies (via Zoom - joined at 12:20 p.m.)

3. Approval of the minutes of the VSMG Board meeting held on February 26, 2020.

In agenda item 7, "Review/approve revision to Valley Schools Management Group Employee Policy Manual" the recorded minutes reflected "Mike Barragan asked about the language complied with Prop 206 for temporary employees, and Ms. Jerich noted Valley Schools is not a political subdivision, therefore, is not subject to the proposition".

The correct statement should be:

"Mike Barragan asked if this new language complied with Prop 206 for temporary employees, and Ms. Jerich answered that it does."

Move to approve the February 26, 2020 VSMG Board meeting minutes, with the correction as stated above.

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>	

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 February 2020 and March 2020 – Dan Davison.

VSIG – Dan Davison reviewed the Valley Schools Insurance Group financial statements, noting there was a dramatic change in the Change in Market Value from February to March. VSIG is doing well on the interest income.

VSWCG – Dan Davison reviewed the Valley Schools Workers' Compensation Group financial statements in detail, noting there were large reimbursements that came in for two members.

VSEBG – Dan Davison reviewed the Valley Schools Employee Benefits Group financial statements in detail. He stated he will follow up with Sage Advisory Services and Morgan Stanley regarding the change in market value, especially since it was bigger than the 2009 recession. The stimulus package is having a positive effect on market. Jim DiCello asked how Stop Loss was trending and Dan Davison answered it is trending better than it was at this time last year. Overall, there will be a slight decrease in claims, and he anticipates claims going down in VSIG, VSWCG and VSEBG. Tom Boone noted we are waiting on the UnitedHealthcare information to come in, however, he pointed out this year's reimbursement to Members is tracking better than last year.

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

MOTION: Jim DiCello SECOND: Bill Maas 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>	

5. Executive Director Member Services update – Tom Elliott.

Tom Elliott reviewed the Valley Schools Employee Benefits Group Experience Report for dental and medical. Overall everyone is doing well. Specific members were discussed in detail. Mike Barragan expressed a concern pertaining to one Member and their net position. Dan Davison stated this Member has been working to catch up and Valley Schools will continue to work with them. A discussion took place about reserves and the Minimum Reserve Policy. It was determined this discussion would be brought back to the Board at a later date and the Minimum Reserve Policy would be brought into the May 2020 meeting.

Tom Elliott reviewed the yearly average increase and the average 5-year increase, discussing each member in detail. He added VSEBG staff have been hosting virtual open enrollment information meetings and these have been going very well. All members have given positive feedback.

6. Marketing/Sales update – Sheri Gilbert.

Sheri Gilbert reviewed the newest members who have joined Valley Schools. She reviewed several proposals that have been submitted. Messaging and advertising collaterals are being updated as well as the website. She provided an update on the new and current marketing projects we are working on.

7. Wellness Services update – Kendall Taylor.

Kendall Taylor provided an update on new resources provided to members. The WellStyles platform has launched new programs and have been received well. Attendance for virtual meetings have increased dramatically, presentations are being well received and positive feedback has been given by several members. The Board gave accolades to the WellStyles team.

8. Discussion of budget development for Fiscal Year 2020-2021--Tom Boone/Dan Davison.

Jamison Davis from Hays Companies spoke about the effects COVID-19 is having on claims. He reviewed a short presentation breaking down projections of the claim's numbers in Maricopa County. He discussed reductions in claims and costs and provided reasons as to why.

Mike Barragan left the meeting at 12:40 p.m.
Ted Carpenter left the meeting at 12:45 p.m.

Dan Davison reviewed the proposed annual budget for all entities.

VSIG – Dan Davison discussed reduction in claims, noting very few staff are working in the school districts right now. Non-operating revenue interest income has been adjusted. Interest earning is going to be less. Excess premiums are being worked on by Cash, Sullivan and Cross, however, it is estimated there will be increases. It's anticipated the liability and property renewals should be completed by the May 2020 Board meeting. Dan has been working with Aon Actuarial Services and the actuarial reports will be completed soon.

Tom Elliott opened a short discussion about reserves. Tom Boone added, considering what Hays presented, most members will be having a very good year for claims due to COVID-19 projections, noting now would be a good time for members to build their reserves.

VSWCG – Excess insurance reflects more than 20% because excess insurance going over budget is being made up. The Aon analysis is being worked on and numbers will be available at the Board meeting in May 2020. A positive change in net position is expected. Bill Maas asked a question about the ICA fees and Tom Boone explained. Jim Migliorino asked how the excess premium is determined by District and Tom Boone stated the three founding districts share 1/3 each of the premium paid for coverage. Glendale Elementary School District is separated from this excess premium on a separate policy because they have a different SIR. This will stay as is for the FY 2020-21. Jim Migliorino inquired if there were any other coverage changes for VSIG or VSWCG for the members, and Tom Boone answered there are no changes anticipated. Cash, Sullivan and Cross are negotiating rates and current coverages.

VSEBG – Dan Davison reviewed the proposed budget for VSEBG in detail. Contributions will also be updated. Bill Maas asked some questions pertaining to the Administrative Services fund and Dan Davison answered. Jim Migliorino asked a question about the balance of the internal services fund and inquired as to how it is maintained, and Dan Davison provided the answers. A short discussion took place. Tom Boone indicated that additionally, information will be provided at the next VSMG Board meeting.

VSMG – Dan Davison reviewed the proposed budget for the VSMG in detail. Jim DiCello asked some questions about the conferences and travel and suggested this budget line item total be decreased. Tom Boone addressed the salaries/benefits, noting Valley Schools is growing and adding additional employees. A short discussion took place. Bill Maas inquired about the total budgeted for raises and how raise amounts are determined, and Tom Boone answered. A discussion took place.

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

Tom Boone provided an update to the Board pertaining to operating procedures at the Valley Schools office during the COVID-19 stay-at-home order and a discussion took place.

10. Board Member comments.

Jim DiCello, Michelle Myers and Laura Felten extended thanks for the work put behind this month's meeting and added for everyone to stay safe and healthy.

11. The meeting adjourned at 1:55 p.m.

Respectfully submitted,



Bill Maas, Secretary

BM/lad