



VALLEY SCHOOLS WORKERS'  
COMPENSATION GROUP

VALLEY SCHOOLS  
INSURANCE GROUP

VALLEY SCHOOLS  
EMPLOYEE BENEFITS GROUP

Management Board:

Tom Boone, Chairman/CEO

Bill Maas, Secretary-Treasurer

Mike Barragan, Member

Jill Barragan, Member

Jim DiCello, Member

Ken Hicks, Member

Jim Migliorino, Member

Michelle Myers, Member

**VALLEY SCHOOLS MANAGEMENT GROUP**

**MINUTES OF THE MEETING OF APRIL 28, 2021**

1. The meeting was called to order by Tom Boone, Chairman, at 11:31 a.m.

2. **Board Members Present:**

Tom Boone, Chairman/CEO

Bill Maas, Secretary-Treasurer

Jill Barragan, Member

Mike Barragan, Member

Jim DiCello, Member

Ken Hicks, Member

Jim Migliorino, Member

**Board Members Absent:**

Michelle Myers, Member

**Staff Present:**

Dan Davison, Chief Financial Officer

Lisa Dessenberger, Executive Assistant

Tom Elliott, Executive Director Member Services

Laura Felten, Chief Financial Officer

**Guests Present:**

Raj Gangadean, Attorney/Partner, Perkins Coie LLP (joined at 11:40 a.m. via Zoom)

Tom Boone welcomed the two newest Board Members, Jill Barragan and Ken Hicks.

3. Approval of the minutes of the VSMG Board meeting held on February 24, 2021.

MOTION: Jim DiCello

SECOND: Jim Migliorino

VOTE: 6-0-1-1

Tom Boone – yes

Mike Barragan – yes

Jim Migliorino – yes

Bill Maas – abstain

Jim DiCello – yes

Michelle Myers – absent

Jill Barragan – yes

Ken Hicks – yes

4. Approval of the minutes of the VSMG Executive Sessions held on February 24, 2021.

MOTION: <u>Jim DiCello</u>	SECOND: <u>Mike Barragan</u>	VOTE: <u>5-0-2-1</u>
Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jim Migliorino - <u>yes</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	Michelle Myers - <u>absent</u>
Jill Barragan – <u>abstain</u>	Ken Hicks– <u>abstain</u>	

5. Motion to convene Executive Session, pursuant to:

A.R.S. § 38-431.03(A)(1) – Discussion and 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 filling a board vacancy, and;

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

Tom Boone announced A.R.S. § 38-431.03(A)(1) was not necessary, therefore the motion to convene Executive Session is pursuant only to A.R.S. § 38-431.03(A)(3).

MOTION: <u>Jim DiCello</u>	SECOND: <u>Jim Migliorino</u>	VOTE: <u>7-0-0-1</u>
Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jim Migliorino - <u>yes</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	Michelle Myers - <u>absent</u>
Jill Barragan – <u>yes</u>	Ken Hicks– <u>yes</u>	

Convened Executive Session at 11:42 a.m.

6. Returned to regular session at 1:39 p.m.

The Board took a short recess and reconvened at 1:46 p.m.

7. Possible action from Executive Session

There was no action from the Executive Session.

8. Review/approve 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 2021 and March 2021 – Dan Davison/Laura Felten.

VSIG – Dan Davison reviewed the Valley Schools Insurance Group financials in detail. He pointed out the non-operating revenue change in market value has now exceeded interest income. He indicated he is in constant communication with Sage Advisory regarding the investment portfolio. Tom Boone compared these to last year at this time.

VSWCG – Dan Davison reviewed the Valley Schools Workers' Compensation Group in detail, noting the largest asset is with Morgan Stanley.

VSEBG – Dan Davison reviewed the Valley Schools Employee Benefits Group financial statements in detail, noting the largest asset is with Morgan Stanley. He discussed the Operating Expense Reserve Analysis and provided an explanation of each column on the worksheet and what the expenses represent. Board Members discussed having IBNR on the final year-end reporting for the members.

VSMG – Dan Davison reviewed the Valley Schools Management Group financial statements in detail. He pointed out there are a couple of reimbursements pending and that additional income is scheduled to come in before the end of the fiscal year.

MOTION: Jim DiCello

SECOND: Ken Hicks

VOTE: 7-0-0-1

Tom Boone – yes

Mike Barragan – yes

Jim Migliorino - yes

Bill Maas – yes

Jim DiCello – yes

Michelle Myers - absent

Jill Barragan – yes

Ken Hicks – yes

9. Discussion relating to preliminary budget for FY 2021-2022 - Tom Boone/Dan Davison/Laura Felten.

Laura Felten provided an update on communication she has had with various Members regarding contributions and added she and Dan Davison have been working with Aon and Cash, Sullivan and Cross to put together the last of the details for the budget.

Laura Felten reviewed the proposed preliminary budget for all four entities.

VSWCG – Ms. Felten reviewed the Valley Schools Workers' Compensation Group proposed preliminary budget in detail. She stated revenues and insurance premiums along with excess insurance will increase. Paid claims liabilities have also increased and as a result, the budget will reflect that information. Tom Boone told the Board if they wanted a full copy of the Aon actuarial, it could be provided to them.

VSEBG – Laura Felten reviewed the Valley Schools Employee Benefits Group proposed preliminary budget in detail. She noted there will be several additional items to be determined after all member renewals are finalized that will be on the final proposed budget in May.

VSMG – Laura Felten reviewed the Valley Schools Management Group proposed preliminary budget in detail. A discussion took place regarding salaries and benefits. Jim DiCello suggested some modification to specific areas.

VSIG – Laura Felten reviewed the Valley Schools Insurance Group proposed preliminary budget in detail. Founding Members were consulted regarding contributions. She noted there will be an increase due to excess premium increases. This is consistent with what the insurance market as a whole is experiencing. Operating expenses were discussed. She reported Aon has sent the Insurance Group report to Valley Schools and that data will be included in the preliminary budget discussion in May. A short discussion took place regarding increases. A discussion took place regarding reinsurance costs and offsetting premiums and the SIR.

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

Tom Boone reviewed the upcoming conferences and the next meeting date.

11. Board Member comments.

Mike Barragan commended the Valley Schools team for the work they did to put together material for the meeting and complimented Robert Blendu's presentation during the Sage Advisory virtual conference. Jim Migliorino echoed those sentiments. Bill Maas stated it was good to be back meeting in person and the Board welcomed new Board Members Jill Barragan and Ken Hicks. Jill Barragan thanked the Board for the opportunity to serve and stated she is looking forward to serving on the Board.

12. The meeting adjourned at 3:33 p.m.

Respectfully submitted,



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Bill Maas, Secretary-Treasurer