



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 MAY 27, 2020

1. The meeting was called to order by Tom Boone, Chairman, at 11:57 a.m.

2. Board Members Present:

Tom Boone, Chairman/CEO

Laura Felten, Vice-Chairman

Bill Maas, Secretary-Treasurer

Mike Barragan, Member

Jim DiCello, Member (via Zoom)

Jim Migliorino, Member

Board Members Absent:

Ted Carpenter, Member

Michelle Myers, Member

Staff Present:

Dan Davison, Chief Financial Officer

Lisa Dessenberger, Executive Assistant

Patrick Dittman, Executive Director Contract Administration (via Zoom)

Tom Elliott, Executive Director Member Services

Sheri Gilbert, Marketing Director (via Zoom) – joined at 12:00 p.m.

Jodi Jerich, General Counsel

Kendall Taylor, Wellness Director (via Zoom) – joined at 12:02 p.m.

3. Approval of the minutes of the VSMG Board meeting held on April 22, 2020.

MOTION: Mike Barragan SECOND: Laura Felten VOTE: 6-0-0-2

Tom Boone – yes

Mike Barragan – yes

Jim Migliorino - yes

Laura Felten – yes

Ted Carpenter – absent

Michelle Myers - absent

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 month of April 2020 – Dan Davison.

VSIG – Dan Davison reviewed the Valley Schools Insurance Group financial statements in detail.

VSWCG – Dan Davison reviewed the Valley Schools Workers’ Compensation Group financial statements in detail, stating the largest asset is the investment at Morgan Stanley and noting the positive change in market value. Bill Maas asked how much actual money is in the fund and Dan Davison said most of what is on the financial statements is unrealized and provided further explanation. Tom Boone added market value change is an accounting transaction, not a cash transaction. A discussion took place.

VSEBG – Dan Davison reviewed the Valley Schools Employee Benefits Group financial statements in detail. Jim Migliorino said the Deer Valley Unified School District is seeing claim costs go down in their loss ratios and asked if the other members were experiencing the same thing. A discussion took place.

VSMG – Dan Davison reviewed the Valley Schools Management Group financial statements in detail. Mike Barragan asked why the Management Group financial statement doesn’t have a change in market and Dan Davison answered. Tom Boone stated the budget for the Management Group was increased. Mike Barragan inquired what the rationale for not having a net position no more than 25% of total revenues and Mr. Boone answered.

MOTION: Jim DiCello SECOND: Mike Barragan VOTE: 6-0-0-2

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>absent</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	

5. Review/approve proposed budget for Fiscal Year 2020-21 – Tom Boone/Dan Davison

Dan Davison reviewed the proposed budgets for VSIG, VSWCG, VSEBG and VSMG in detail.

VSIG – Current expenses for claims were projected based upon most member districts being closed. Adjustments were discussed. Aon actuarial adjustments have come in and Mr. Davison reviewed those. Projection of interest earnings is lower for next year. Tom Boone added reinsurance cost was reduced and paid claims now reflected the actuarial study projections. A short discussion took place about the actuarial reports. Tom Elliott added the cost of reinsurance has gone up and the contributions haven’t been raised for several years.

VSWCG – Dan Davison stated Peoria Unified School District is not increasing contribution next year. A discussion took place on contributions.

VSEBG – Dan Davison said stop loss has been trending favorably, so the budget was reduced based upon the trend. A discussion about stop loss took place.

VSMG – Dan Davison pointed out the conference travel budget has been adjusted down due to COVID-19 and the rest of the budget was reviewed.

MOTION: Jim DiCello SECOND: Mike Barragan VOTE: 6-0-0-2

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>absent</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	

6. Review and discussion of the Valley Schools Minimum Reserves Policy – Tom Boone/Dan Davison.

The current Valley Schools Minimum Reserves Policy was discussed, and Tom Boone noted this policy covers quite a bit. Mike Barragan asked where the 25% rule came into play and Dan Davison answered it's been a business practice that Valley Schools has maintained for years. Mike Barragan stated he has concern over a couple of members contributions levels and would like to see something in the policy that references the "managements competence and responsibility". A discussion took place.

7. Review/approve the VSMG Board meeting dates for Fiscal Year 2020-21 - Tom Boone.

MOTION: Mike Barragan SECOND: Bill Maas VOTE: 6-0-0-2

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>absent</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	

8. Review/approve the VSMG calendar for Fiscal Year 2020-21 – Tom Boone.

MOTION: Bill Maas SECOND: Mike Barragan VOTE: 6-0-0-2

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>absent</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	

9. Update on COVID-19 efforts – Tom Boone.

A video media story that was run several times on ABC 15, regarding the Valley Schools Wellness program, was shown to the Board. Kendall Taylor, Wellness Director, was interviewed along with a teacher from the Paradise Valley Unified School District. A short discussion took place. Tom Boone provided an update on the Valley Schools office operations, noting some employees will continue telecommuting and all policies and procedures concerning COVID-19 are in line with State of Arizona guidelines.

10. Chairman/CEO Summary Report and Update – Tom Boone.

Tom Boone stated there were no calendar events to review as all future meetings have been postponed until further notice.

11. Board Member comments.

There were no Board Member comments.

12. Motion to convene Executive Session, pursuant to:

A.R.S. § 38-431.03(A)(3) and A.R.S. § 38-431.03(A)(4) – To receive legal advice and discuss and/or consult with counsel to consider its position regarding a medical claim dispute, and;

A.R.S. § 38-431.03(A)(1) – Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, purpose of long-term planning and renewal of the employment contract of Tom Boone. 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 Tom Boone.

MOTION: Bill Maas

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

Tom Boone – yes

Mike Barragan – yes

Jim Migliorino - yes

Laura Felten – yes

Ted Carpenter – absent

Michelle Myers - absent

Bill Maas – yes

Jim DiCello – yes

Convened Executive Session at: 1:46 p.m.

- 13. Returned to regular session at 2:32 p.m.
- 14. Possible action from Executive Session.


The following motion was made after Executive Session:

"I move that the current employee contract of the Chairman/CEO, be extended through and including June 30, 2023, as discussed and modified in Executive Session, and authorize Mr. Bill Maas, Secretary/Treasurer, to sign any necessary written agreements"

MOTION: <u>Laura Felten</u>	SECOND: <u>Jim Migliorino</u>	VOTE: <u>5-0-1-2</u>
Tom Boone – <u>abstained</u>	Mike Barragan – <u>yes</u>	Jim Migliorino - <u>yes</u>
Laura Felten – <u>yes</u>	Ted Carpenter – <u>absent</u>	Michelle Myers - <u>absent</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	

- 15. The meeting adjourned at 2:33 p.m.

Respectfully submitted,



Bill Maas, Secretary

- 13. Returned to regular session at 2:32 p.m.
- 14. Possible action from Executive Session.

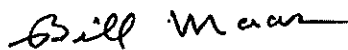
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MOTION: <u>Laura Felten</u>	SECOND: <u>Jim Migliorino</u>	VOTE: <u>6-0-0-2</u>
Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jim Migliorino - <u>yes</u>
Laura Felten – <u>yes</u>	Ted Carpenter – <u>absent</u>	Michelle Myers - <u>absent</u>
Bill Maas – <u>yes</u>	Jim DiCello – <u>yes</u>	

- 15. The meeting adjourned at 2:33 p.m.

Respectfully submitted,



Bill Maas, Secretary