



Management Board

- Tom Boone, Chairman/CEO
- Mike Barragan, Vice-Chairman
- Bill Maas, Treasurer
- Jim Migliorino, Secretary
- Jill Barragan, Member
- Jim DiCello, Member
- Ken Hicks, Member
- Michelle Myers, Member

**VALLEY SCHOOLS MANAGEMENT GROUP**  
**MINUTES OF THE MEETING OF MAY 15, 2024**

1. Tom Boone, Chairman, called the meeting to order at 11:38 a.m.

2. **Board Members Present:**

- Tom Boone, Chairman/CEO
- Mike Barragan, Vice-Chairman
- Bill Maas, Treasurer
- Jim Migliorino, Secretary
- Jill Barragan, Member
- Jim DiCello, Member
- Ken Hicks, Member
- 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 of Health and Wellness Services

3. Approval of the VSMG Board meeting minutes held on April 24, 2024.

MOTION: <u>Mike Barragan</u>	SECOND: <u>Jill Barragan</u>	VOTE: <u>8-0-0</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>yes</u>	

4. Approval of the VSMG Executive Session meeting minutes held on April 24, 2024.

MOTION: Jim DiCello                      SECOND: Ken Hicks                      VOTE: 7-0-1-0

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>abstain</u>	

5. Approval of the Valley Schools Insurance Group ("VSIG"), Valley Schools Workers' Group ("VSWCG"), Valley Schools Employee Benefits Group ("VSEBG"), and Valley Schools Management Group ("VSMG") financial statements for the month of April 2024 – Laura Felten

Laura Felten opened by noting that the change in market value is the most significant change since the March reports. She provided an update on the financial reports the Board will receive before the October 2024 VSMG Board meeting.

VSIG – Laura Felten reviewed the VSIG financial statements in detail. Jim DiCello asked if the cost of reinsurance is accrued, and Ms. Felten answered yes.

VSWCG – Laura Felten reviewed the VSWCG financial statements in detail. She pointed out that a new claims database had been purchased, and the financial reports reflect the purchase price.

VSEBG – Laura Felten reviewed the VSEBG financial statements in detail.

VSMG – Laura Felten reviewed the VSMG financial statements in detail. Jim Migliorino asked if there are strategies to address next year's net position due to IT upgrades. Tom Boone replied this matter would be addressed when the VSMG proposed budget is discussed.

MOTION: Ken Hicks                      SECOND: Jim DiCello                      VOTE: 7-0-1-0

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>abstain</u>	

6. Review/approve proposed FY 2024-2025 budgets – Laura Felten.

VSMG – Laura Felten reviewed the FY 2024-25 VSMG proposed budget in detail. She pointed out some cost increases. She stated the IT budget was kept the same, and she addressed some IT equipment that must be updated this upcoming fiscal year. She said there was a positive change in the budget for VSMG, and discussion took place regarding additional revenue streams. Bill Maas inquired how many Valley Schools members utilized medical benefits outside of UHC, and a short discussion occurred. Mike Barragan asked about legal services fees, and Jodi Jerich and Tom Boone responded.

VSEBG—Laura Felten reviewed the FY 2024-25 VSEBG proposed budget in detail. She stated that a budget adjustment was made for the income since the April VSMG Board meeting, reminding the Board that this is an entity-wide budget and provided some examples.

VSWCG - Laura Felten reviewed the FY 2024-25 VSWCG proposed budget in detail. She pointed out changes in operating revenue and operating expenditures. She reviewed the AON actuarial summary, and a discussion took place. She shared information about some of her meetings with Members regarding contributions and net positions. Tom Boone added to the conversation, and further discussion took place. Mike Barragan shared some strategies Glendale Elementary School District will be implementing. Jim Migliorino asked if the SIR was changing, and Laura Felten answered probably not.

VSIG—Laura Felten reviewed the FY 2024-25 VSIG proposed budget in detail. It was discussed that despite all the efforts from Valley Schools to mitigate administrative costs and insurance claims, the cost of reinsurance continues to increase significantly. She discussed contributions and reinsurance premiums, adding that the preliminary estimates have been received. Paid claims totals have been updated. Jim DiCello asked about the increase in net position, and Laura Felten answered.

MOTION: Jim DiCello

SECOND: Mike Barragan

VOTE: 8-0-0-0

Tom Boone – yes

Mike Barragan – yes

Jill Barragan – yes

Jim DiCello – yes

Ken Hicks – yes

Bill Maas – yes

Jim Migliorino – yes

Michelle Myers – yes

7. Review of 2024 Annual Reports and Disclosure Statements to be filed with the Arizona Corporation Commission – Jodi Jerich/Tom Boone.

Jodi Jerich reviewed the VSMG, VSEBG, VSWCG, and VSIG Annual Reports and Disclosure Statements for 2024. She noted these reports would be filed on time with the Corporation Commission.

8. Executive Director Member Services update – Tom Elliott.

Tom Elliott reviewed the VSEBG medical plan through March 2024. He noted that VSEBG is running well overall.

He reviewed the VSEBG dental pool experience report through March 2024 and noted the pool also continues to run well.

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

Tom Boone reviewed the next VSMG Board meeting date and the calendar events pertinent to the Board. He also summarized the upcoming IT updates.

10. Board Member comments.

Jim Migliorino recognized Jerry Cipriano for winning the 2024 School Connect Arizona Community Spotlight Award and thanked him for serving Valley Schools. Bill Maas addressed an RX billing situation, billing companies, and outside companies that monitor it. Tom Elliott and Kendall Taylor addressed these items, noting that UHC has case managers who monitor these issues. A short discussion took place.

The Board recessed the VSMG meeting at 1:06 p.m. to conduct the VSIG, VSWCG, and VSEBG Annual meetings.

The Board will reconvene the VSMG Board meeting after the annual meetings conclude.

The VSMG Board meeting reconvened at 1:13 p.m.

Michelle Myers left the meeting at 1:13 p.m.

11. Motion to convene Executive Session pursuant to:

A.R.S. § 38-431.03(A)(3) and (A)(4) for the purpose of discussion and consultation with legal counsel regarding WESD RFP No. 22.033.

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>	

Executive Session convened at 1:14 p.m.

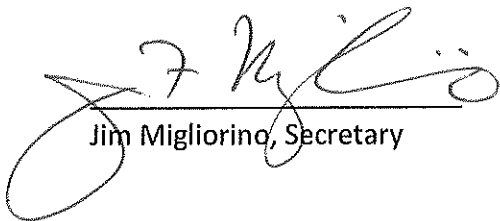
12. Returned to Regular Session at 2:09 p.m.

13. Possible action from Executive Session.

No action was taken after the Executive Session.

14. The meeting adjourned at 2:10 p.m.

Respectfully submitted,



Jim Migliorino, Secretary

JM/lad