

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 FEBRUARY 21, 2024

1. Tom Boone, Chairman, called the meeting to order at 11:35 a.m.

2. Board Members Present:

- Tom Boone, Chairman/CEO
- Mike Barragan, Vice-Chairman
- Jim Migliorino, Secretary
- Jill Barragan, Member (arrived at 12:45 p.m.)
- Jim DiCello, Member
- Ken Hicks, Member
- Michelle Myers, Member

Board Members Absent:

Bill Maas, Treasurer

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
- Kristine Mutlak, Administrative Assistant
- Leigh Steele, Director Marketing and Communications
- Kendall Taylor, Executive Director Health and Wellness Services

3. Approval of the VSMG Board meeting minutes held on December 13, 2023.

MOTION: Jim DiCello

SECOND: Ken Hicks

VOTE: 5-0-1-2

Tom Boone – yes

Mike Barragan – yes

Jill Barragan – absent

Jim DiCello – yes

Ken Hicks – yes

Bill Maas – absent

Jim Migliorino – yes

Michelle Myers – abstain

4. Approval of the VSMG Executive Session meeting minutes held on December 13, 2023.

MOTION: <u>Mike Barragan</u>	SECOND: <u>Jim DiCello</u>	VOTE: <u>5-0-1-2</u>
Tom Boone – <u>yes</u>	Mike Barragan – <u>yes</u>	Jill Barragan – <u>absent</u>
Jim DiCello – <u>yes</u>	Ken Hicks – <u>yes</u>	Bill Maas – <u>absent</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 months of November 2023 and December 2023 – Laura Felten

VSIG – Laura Felten reviewed the VSIG financial statements in detail. She noted we are halfway through the fiscal year, and claims are on track and within budget. Interest change and market value are favorable. She shared that Sage Advisory reported information regarding projections about the portfolio. Ken Hicks asked about the rental income and inquired about the current building occupancy, to which Laura responded the building is at 100% occupancy. Jim Migliorino asked about consultant service fees, and a discussion took place.

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

VSEBG – Laura Felten reviewed the VSEBG financial statements in detail, noting that paid claims, along with most other line items, are within the budget.

VSMG – Laura Felten reviewed the VSMG financial statements in detail. She discussed insurance premiums and shared information about those premiums. Jim DiCello commented on the interest income, and a discussion took place.

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

6. Discuss/review Valley Schools Insurance Group, Valley Schools Workers' Compensation Group, Valley Schools Employee Benefits Group, and Valley Schools Management Group Audit Reports for year-end June 30, 2023 – Jim DiCello/Laura Felten.

Jim DiCello reviewed the VSIG audit. He discussed the net position and provided an explanation. Increases in loss and loss expense were also reviewed. He provided information regarding receivables and did a comparison to last year.

Jim DiCello reviewed the VSWCG audit, noting it was a good year. He pointed out the non-operating revenue increase and stated this audit is right on target.

Jim DiCello reviewed the VSEBG audit, detailing the net position, and expounded on the subject. He added that all three audit reports received a positive opinion.

Jim DiCello reviewed the VSMG audit report, noting that the audit was positive. Revenue and expenses were up. Jodi Jerich stated the VSIG, VSWCG, and VSEBG audits have been filed with the Arizona Department of Insurance and Financial Institutions, and Laura Felten confirmed. Mike Barragan acknowledged Jim DiCello and Laura Felten for their hard work completing these audits.

7. Executive Director Member Services update – Tom Elliott.

Tom Elliott reviewed the VSEBG member's medical and dental summaries for the last quarter. The dental pool is continuing to do well. He expects increases in January due to holiday vacation. Renewal meetings are almost complete, and they are going very well. Ken Hicks provided a history of why the medical and dental insurances are different and separate and how each was established in history.

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

Tom Boone provided the Board with an updated print version of the KPI document highlighting the format change from previous reports. He also reviewed the complete list of conferences for the calendar year 2024, and discussion took place on recommended conferences that would benefit Board Members to attend.

Kendall Taylor informed the Board about the Virgin Pulse merger and noted that in 2025, the name will formally be changed to Personified Health. She stated Members will be notified soon.

9. Board Member comments.

Several Board Members thanked the Valley Schools staff for the work done on meeting preparation, food, and decor. Mike Barragan noted that Jerry Cipriano does a great job representing Valley Schools at conferences and encouraged Board Members to attend these sponsored events. Michelle Myers and Ken Hicks thanked Jim DiCello and Laura Felten for their work on the audits. Ken Hicks brought up the subject of data privacy, noting the need for multifactor authentication (MFA) and IT security is rapidly increasing. Discussion took place.

Michelle Myers left the meeting at 12:50 p.m.

10. Motion to convene Executive Session pursuant to:

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

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 and;

A.R.S. § 38-431.03(A)(3) and (A)(4) for the purpose of discussion and consultation with legal counsel regarding prescription rebates.

MOTION: Jim DiCello

SECOND: Mike Barragan

VOTE: 6-0-0-2

Tom Boone – yes

Mike Barragan – yes

Jill Barragan – yes

Jim DiCello – yes

Ken Hicks – yes

Bill Maas – absent

Jim Migliorino – yes

Michelle Myers – absent

Executive Session convened at 1:00 p.m. and adjourned at 2:40 p.m.

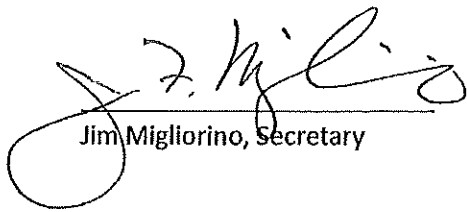
11. Returned to regular session at 2:41 p.m.

12. Possible action from Executive Session.

No action was taken after the Executive Session.

13. The meeting adjourned at 2:41 p.m.

Respectfully submitted,



Jim Migliorino, Secretary

JM/lad