VSMG

BETTER ADVICE. BETTER BENEFITS

Management Board
Tom Boone, Chairman/CEO
Mike Barragan, Vice-Chairman
Jim DiCello, Secretary
Bill Maas, Treasurer
Jill Barragan, Member
Heather Mock, Member
Dale Ponder, Member
Marcie Rodriguez, Member

VALLEY SCHOOLS MANAGEMENT GROUP

MINUTES OF THE MEETING OF MAY 27, 2026

1. Tom Boone, Chairman, called the meeting to order at 11:48 a.m.

2. **Board Members Present:**
   Tom Boone, Chairman/CEO
   Mike Barragan, Vice-Chairman
   Jim DiCello, Secretary
   Jill Barragan, Member (arrived at 12:12 p.m.)
   Heather Mock, Member
   Dale Ponder, Member

   Board Members Absent:
   Bill Maas, Treasurer
   Marcie Rodriguez, Member

   Staff Present:
   Lisa Dessenberger, Executive Assistant
   Laura Felten, Chief Financial Officer
   Raquel Flores, Administrative Assistant
   Ken Hicks, Executive Director Member Services
   Jodi Jerich, General Counsel
   Leigh Steele, Marketing Director
   Kendall Taylor, Executive Director, Health and Wellness Services

   Guests Present:
   Gretchen Jacobs, Lobbyist, Arizona Governmental Affairs

3. Approval of the VSMG Board meeting minutes held on April 29, 2026.

MOTION: Jim DiCello	SECOND: Mike Barragan	VOTE: 5-0-0-3
Tom Boone – yes	Mike Barragan – yes	Jill Barragan – absent
Jim DiCello – yes	Bill Maas - absent	Heather Mock – yes
Dale Ponder – yes	Marcie Rodriguez–absent	

4. Legislative update – Mike Barragan/Meghaen Dell'Artino/Gretchen Jacobs.

Mike Barragan introduced Gretchen Jacobs to the Board and turned the floor over to her. The House of Representatives has taken a month off and will reconvene on June 1, 2026. The Legislature hopes to introduce a budget draft within the next few weeks. She shared additional details on budget issues and discussions among Legislators. She added that the House and the Senate are aligned on the budget. Mike Barragan asked for an update on a specific District race, and Gretchen shared information. Jim DiCello asked for an update on SB1497, and Gretchen provided the details. A brief discussion followed about the upcoming Governor's race.

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 2026 – Laura Felten.

VSIG— Laura Felten reviewed the VSIG financial statements. She noted an increase in market value and discussed specific claims and settlements, including their impact on the financial statements.

VSWCG – Laura Felten reviewed the VSWCG financial statements.

VSEBG— Laura Felten reviewed the VSEBG financial statements. Jim DiCello asked a question about the Wellness line item, and Ms. Felten responded.

VSMG— Laura Felten reviewed the VSMG financial statements. Tom Boone made a statement regarding the variance, and a brief discussion followed.

MOTION: Jim DiCello	SECOND: Dale Ponder	VOTE: 5-0-0-3
Tom Boone – yes	Mike Barragan – yes	Jill Barragan – absent
Jim DiCello – yes	Bill Maas - absent	Heather Mock – yes
Dale Ponder – yes	Marcie Rodriguez–absent	

6. Review/approve proposed FY 2026-2027 budgets – Laura Felten.

Laura noted there were no changes to the overall budget information since it was presented to the Board at the April 29, 2026 Board meeting. She provided an update as to what took place over the course of the last month.

VSIG—Laura Felten reviewed the Proposed VSIG budget for FY 2026-2027 with the Board.

VSWCG – Laura Felten reviewed the Proposed VSWCG budget for FY 2026-2027 with the Board.

VSEBG— Laura Felten reviewed the Proposed VSEBG budget for FY 2026-2027 with the Board. She reminded them that some new Members are joining and noted that we have a 6% growth rate.

VSMG— Laura Felten reviewed the Proposed VSMG budget for FY 2026-2027 with the Board.

Mr. Barragan thanked Ms. Felten and her team for their hard work and the effort they put into compiling these budgets, expressing his appreciation.

MOTION: Jim DiCello	SECOND: Dale Ponder	VOTE: 6-0-0-2
Tom Boone – yes	Mike Barragan – yes	Jill Barragan – yes
Jim DiCello – yes	Bill Maas - absent	Heather Mock – yes
Dale Ponder – yes	Marcie Rodriguez–absent	

7. Executive Director Member Services update – Ken Hicks.

   Ken Hicks reviewed the experience report summary for the medical, dental, and vision pools. He said the average annual renewal increased by 7-8% from last year. A brief discussion followed on large losses. He noted that the UHC trend report indicates that medical claims over 100K are up significantly across the board. Dental benefits have been enhanced, and rates have been lowered. This is the first year for the Vision Pool, and he stated that the number of lives covered will increase next year.

8. Review of 2026 Annual Reports and Disclosure Statements to be filed with the Arizona Corporation Commission – Jodi Jerich/Tom Boone.

   Jodi Jerich reviewed the 2026 Annual Reports and Disclosure Statements with the Board and informed them that the reports have been officially filed.

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

   Tom Boone reviewed the date of the next Board meeting and some future conference dates.

10. Board Member comments.

    Dale Ponder thanked the Board and staff and wished everyone a good summer vacation. Heather Mock echoed his sentiment. She announced that she will attend AASBO and informed the Board that she will be running for AASBO Vice-President. Jim DiCello wished everyone a great summer, shared information about events in Munds Park over the summer, and invited the Board to attend. Mike Barragan said that Jerry Cipriano was nominated for an award and shared details. He praised Jerry and recognized his commitment to Valley Schools. He also praised and thanked all Valley Schools staff.

11. The meeting adjourned at 12:50 p.m.

Respectfully submitted,

/s/ Jim DiCello

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Jim DiCello, Secretary

JD/lad