

Vermont School Boards Insurance Trust (VSBIT)

Board of Director's Meeting Minutes

December 14, 2016

Present: Brenda Fleming (by phone), Bob Giroux, Emily Long, Ron Ryan, Stuart Wepler, Laura Soares and Chris Roberts.

Additional Attendees: Chad Hewitt, Sullivan & Powers

The meeting was called to order at 10:05 a.m., by Chair, Bob Giroux.

**Met with Chad Hewitt, CPA Sullivan & Powers regarding FY 16 Audit**

Chad Hewitt presented the FY 16 audit report to the Board and answered questions. The auditors provided a clean opinion and clean Management Letter following the FY 16 audit. The Board acknowledged Chris Roberts and her staff's outstanding work in this area. Ron Ryan made a motion, seconded by Emily Long to accept the FY 16 audit report as presented. Motion passed.

**Reorganization**

**a. Election of Board and Corporate Officers**

Emily Long made a motion, seconded by Ron Ryan, to keep the same slate of officers: Bob Giroux as chair, Brenda Fleming as vice-chair and Stuart Wepler as secretary. There were no other nominations and the motions passed.

**b. Conflict of Interest Statements were completed.**

**c. Establish Nominating Committee – discuss potential open seat**

Bob Giroux appointed Emily Long and Stuart Wepler to the nominating committee, to be staffed by Laura Soares. Ron Ryan will be retiring as superintendent on 6/30/2017 and will not be able to complete his entire term.

**d. The Board affirmed the Organizational Mission/Vision**

**Approval of Meeting Minutes**

Stuart Wepler made a motion, seconded by Emily Long to approve the minutes of October 4, 2016. The minutes were approved as written.

### **Review and Accept 9-30-16 Financials**

Chris Roberts reviewed quarterly financials and responded to questions. Brenda Fleming made a motion, seconded by Emily Long, to accept the financials as presented. Motion passed.

### **9-30-16 Dashboard – located in Dropbox** – discuss as needed

Chris Roberts reviewed the Dashboard. The Board discussed the extended period that the Unemployment Program indicator has been red, indicating an overly strong net position. The Board has not taken prior action due to the increased uncertainty surrounding school mergers.

### **Review and set up Unemployment Compensation Program Rating Structure for FY 18**

Chris Roberts reviewed the recommendation of management to decrease the FY 18 Unemployment rating structure by 15%. This rate decrease is still estimated to add modestly to the program's reserves in FY 18, positioning the program to respond to any unexpected increase in claims. Ron Ryan made a motion, seconded by Stuart Wepler, to accept the recommendation and decrease the FY 18 Unemployment program rate structure by 15%. The motion passed.

### **Update on the 1982 – 1998 WC Program**

Chris Roberts reviewed her memo on the closed workers' comp program. The program will maintain reserves to support the open claims and any IBNR.

### **Act 46 Collaborative Investment – Discussion and Action**

Laura Soares summarized the work of the Collaborative. The VSBIT investment continues to support the Act 46 Coordinator position, allowing the initiative to provide services to those districts still considering their response to the requirements of Act 46 and merger study committees underway, including those who are seeking alternative structures.

In addition, the Collaborative will engage the District Management Council for a 24 month period to support those merging districts which elect to participate. DMC will help participating districts identify and achieve two early wins for students and two early fiscal wins. Over the next 24 months, DMC will provide support to the full cohort through every other month in-person group meetings, focusing on the common challenges and opportunities facing the mergers. These include system budgeting strategies, successfully addressing the human dynamic of system change, successful strategies for local school councils, and using attrition modeling to plan for future staffing structures to meet the needs of the system. In the alternative months, DMC will work with each individual merger on their specific goals. Individual districts will invest \$20,000 to participate and VSBIT will invest the remaining funding necessary. Stuart Wepler made a motion, seconded by Ron Ryan, to confirm VSBIT's investment in the Act 46 Collaborative for the next 24 months and the investment specifically in the DMC project.

**Discuss VSBIT Employee Health Benefit Changes** – act on recommendation in attached memo. Laura Soares reviewed the current VSBIT benefit structure. Under the current structure, because VEHI health and premium dental rates will see no increase in FY 18, the benefit dollar amount in FY 18 remains the same as FY 17. However, the VEHI health plans will change on 1/1/2018, reducing the health care premium for the second half of the FY while at the same time increasing the potential out of pocket cost for health care. Laura Soares recommends the Board continue with the FY 17 \$25,504 per employee benefit funding for FY 18, and that a full review of the benefit structure be undertaken this spring. Emily Long made a motion, seconded by Ron Ryan, to accept this recommendation. The motion passed. The Board anticipates changes in FY 19 to the approach VSBIT has taken regarding salary and benefits and management will bring options for consideration to the next meeting.

### **Update 2016 Strategic Objectives**

The Board reviewed and discussed the update.

### **Review Dashboard Policy**

The Board reviewed and confirmed the Dashboard policy as written.

### **Review Indicators, Benchmarks and Targets for the Unemployment and Multi-Line Sections of the Dashboard**

The Board reviewed the current indicators, benchmarks and targets of the UC and ML program. As discussed during the Dashboard update, the Board would like to consider whether the Unemployment program ratio of average claims to net position should be modified. The Board confirmed the current approach but asked Chris to bring options to consider to a future meeting.

### **Consider revision of Fraud Policy**

Emily Long made a motion, seconded by Ron Ryan, to revise the Fraud Policy as recommended. The motion passed.

### **Program Updates**

- a. Laura Soares noted the Bylaws Amendment was approved by DFR.
- b. Laura Soares updated the Board on the work of VEHI transitioning to the new health plans.

### **Adjournment**

There being no further business, the meeting adjourned at 12:10 p.m.

Respectfully submitted by: Laura Soares