

Vermont School Boards Insurance Trust

Board of Director's Meeting

March 23, 2015

Present: Bob Giroux, Emily Long, Ron Ryan, Brenda Fleming, Stuart Wepler, Laura Soares, Joe Zimmerman, Chris Roberts, Don Morrill and Tim Vincent

The Meeting was called to order, at 3:30 p.m., by the Chair, Bob Giroux.

**Approval of Meeting Minutes**

Stuart Wepler made a motion seconded by Brenda Fleming to approve the minutes of the December 12, 2014 meeting. The minutes were approved as written.

**Quarterly Financials as of 12-31-14**

Chris Roberts summarized her memorandum dated 2/13/15. All Programs are performing well financially and the overall budget remains on target. Chris informed the Board that a few budget amendments would be presented at the May Meeting. The Board accepted the statements as presented.

**Review and Discuss Dash Board as of 12/31/14**

The Board reviewed the Dashboard with Chris Roberts. All of the indicators reflect positive outcomes. The Board accepted the Dashboard as of 12/31/14 as presented.

**Review Dashboard Policy**

The Board reviewed the Dashboard Policy and accepted it subject to the updates that Laura Soares will make to the time line in Attachment A of the Policy. The Board agreed that the Unemployment and Multi-Line Programs be reviewed at the same time and on an alternate year, in the fall, review of the Investments, General Reserve and Budget will take place.

**Review and Action on Multi-Line Net Assets Policy**

The Multi-Line Program's Net Assets Policy was developed by staff and the Program's actuary (Towers Watson). This policy requires the benchmarks to be updated periodically, and that update was completed in the fall of 2014. Don Morrill and Tim Vincent reviewed the updated benchmark report (memorandum dated March 2015 included in Board packet). Three requests were made of the Board:

1. Management requested to modify the Financial Strength Ratio (Premium to Surplus) target range in the Dashboard from .25- .85 to .45- .85 to align with the range the Actuaries utilize in the benchmark. Brenda Fleming made a motion in this regard seconded by Emily Long and the motion was approved by the Board.

2. Management recommended modifications to the policy with the goal of preventing the Multi-Line Reserve from increasing in value. Ron Ryan made a motion seconded by Stuart Wepler to adopt the policy changes (track-changes version included in the packet), the motion passed.
3. The Multi-Line program does have excess net assets as defined by policy, however management recommended transferring only net positive investment, not initial capital this year. Emily Long made a motion seconded by Stuart Wepler to approve this recommendation and the motion passed.

### **Review Personnel Policy**

In a memorandum dated March 23, 2015, Laura Soares certified to the Board that management is in compliance with the Personnel Policy. The Board did not wish to make any changes to the Policy.

### **Nominating Committee Report**

In a memorandum dated March 2015, the Nominating Committee recommended that no changes be made, at this time, to the Process for Elections of new Board Members. The committee wants the process to be similar to that of VEHI's and it will wait for more information with respect to that from VEHI. The Committee will also consider information from the VSBA as they may make changes to their Annual Meeting schedule.

### **Review Updated Disaster Recovery Plan**

The Board was given an updated version of VSBIT's Disaster Recovery Plan. The Board did not have any questions.

### **Enter into Agreement with Auditor for FY15 audit**

The Board reviewed the annual audit engagement letter from Sullivan Powers. Emily Long made a motion seconded by Brenda Fleming to engage Sullivan Powers in VSBIT's FY15 audit. The Board approved the motion. The Board also had a conversation about using a different auditing firm for its annual audit. Chris Roberts and Brenda Fleming gave their opinions as to why it is OK to use the same audit firm every year. There are not many auditing firms in the area that are familiar with VSBIT's business. Also, because Sullivan Powers are so familiar with VSBIT's financial records we get a more comprehensive audit. Sullivan Powers also rotates lead auditors periodically in order to obtain a fresh look at our records. Sullivan Powers also maintain a good reputation with the DFR. Stuart Wepler made a motion seconded by Ron Ryan to review this situation each year. The Board approved the motion.

### **Update on Strategic Objectives and 2015 Business Plan**

The Board reviewed the FY15 Business Plan and Strategic Objectives. Brenda Fleming made a motion seconded by Emily Long to accept the updated Plan and send a copy to the DFR. The Board approved the motion.

### **Draft FY16 Budget**

Chris Roberts summarized her March 18, 2015 memorandum covering the FY16 draft budget. The Board will approve the budget at the May Meeting.

### **Initiate President Evaluation Process**

Individually, members of the Board will complete an evaluation of VSBIT's President and send it to Bob Giroux. Bob will summarize before the next meeting. This process will assist in determining the President's compensation. The Board also discussed reviewing the evaluation tool for potential revisions once this process is complete.

### **Program Updates**

Don Morrill updated the Board on some of the risk management work Debbie Kilpatrick and Dave Pickel are involved in. Don had a Power Point presentation highlighting the work of Debbie and Dave. Tim updated the Board on the results of a claims audit performed on the Multi-line operation. The team received helpful comments. This was the first time an outside auditing firm looked at the Multi-Line claims operation. Laura Soares talked with the Board about exploring the possibility of using a different investment strategy with respect to certain Multi-line funds.

The Board also reviewed the Program Update Memorandum, dated 3/13/15, prepared by Laura Soares and Joe Zimmerman. The Board did not have any questions and accepted the document as presented.

### **Legislative Update**

Laura Soares updated the Board with respect to VEHI's efforts with the Legislature to find a way to operate outside the exchange (Vermont Health Connect). VEHI has met with key Committee members of both the House and Senate. It is currently pressing to meet with the Administration. VEHI believes that it can add more value than the VHC with respect to health insurance options for school districts. The VSBIT Board will follow this work closely.

### **Future Meeting Schedule**

The next meeting will be May 28, 2015. A meeting wizard will be e-mail to Board members to determine future meeting dates and time.

### **Other Business**

No other business

### **Adjourn**

As there was no further business, the Meeting adjourned at 6:54 p.m.

Respectively submitted by,  
Joseph Zimmerman