

Vermont School Boards Insurance Trust (VSBIT)

Board of Director's Meeting Minutes

January 30, 2020

Present: Bob Giroux, Michael Bailey, Brenda Fleming, Steve Hier (until 6:45) & Michael Clark.

**Staff:** Laura Soares, President, Chris Roberts, Manager of Finance, and Tim Vincent, Multi-Line Program Manager.

**Guest:** Ann M. Conway, Maureen Stazinski and Zack Renschler of Willis Towers Watson (until 6 pm).

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

**Review and Adoption of Agenda**

The agenda was adopted with the addition of an item to review the 12-31-19 financials.

**Public Comment:** None

**Meet with Actuarial Team Ann M. Conway, Maureen Stazinski and Zack Renschler of Willis Towers Watson for Multi-Line**

The actuaries for the Multi-Line presented on their role, their most recent reserve analysis, provided a comparison of the Multi-Line program with public entity industry benchmarks (where the program compares favorably), and the Net Position Benchmarks and Target Surplus Analysis. The Board asked questions and discussed various aspects of the presentation. The Board found the presentation informative and requested an in-person meeting again next year.

**FY 19 Excess Net Asset Determination and Recommendation for Action – Tim Vincent**

Tim reviewed his determination that the Multi-Line program has \$6.68 million in excess net assets when compared to the benchmarks using the methodology set in policy. Tim made two recommendations for the use of a portion of the excess net position.

Steve Hier made a motion, seconded by Michael Bailey, to allocate up to \$200,000 of the excess net position to absorb FY 21 reinsurance premium for the non-pass-thru lines above a 7% rate increase as recommended. The motion passed.

Brenda Fleming made a motion, seconded by Michael Clark, to approve up to \$50,000 of excess net position to conduct a feasibility study on starting a captive to address liability coverage concerns as recommended. The motion passed.

### **Annual Review of Multi-Line Policies**

#### **a. Reserving Policy**

The Board reviewed the policy and affirmed the policy without any changes.

#### **b. Excess Net Position – Management Recommendations for Revisions**

The Board reviewed the policy. Consistent with the discussion with the actuaries, the Board agreed to consider potential changes to the benchmarks following the completion of the updated Target Surplus Analysis. Management will provide the updated Analysis and recommendations at the April 30<sup>th</sup> meeting.

#### **c. Reinsurance Strategy Policy**

The Board reviewed the policy and affirmed the policy without any changes.

### **Approve Minutes of November 19, 2019 and December 18, 2019 Board Meetings**

Michael Clark made a motion, seconded by Mike Bailey, to approve the minutes of November 19, 2019 minutes with two typos corrected. The motion passed.

Michael Clark made a motion, seconded by Mike Bailey, to approve the minutes of December 18, 2019. The minutes were approved as written.

### **Meet with Beth Peters of VIVID Workplace to Discuss Upcoming Search Process**

Beth Peters was unable to attend due to illness. The Board set a phone meeting with Beth on February 19<sup>th</sup> at 4 pm.

Laura Soares provided an updated Job Description for the President. A motion was made by Brenda Fleming, seconded by Steve Hier, to approve the Job Description as amended.

The Board finalized an announcement to send out next week to superintendents and school business officials. Beth Peters will assist in posting the position and screening candidates.

The Board agreed the search committee will consist of Bob Giroux, and Steve Hier, supported by Laura Soares, and requested the committee work with VIVID Workplace to identify finalist candidates for the Board to interview. The goal is to have the individual identified and begin employment in the summer of 2020 to allow for a transition period prior to assuming the role of President effective January 1, 2021 following Laura's retirement.

### **Update on 2019 Strategic Objectives**

Laura reviewed the 2019 Strategic Objectives, all of which were completed as anticipated. She noted that management is exploring with partner organizations if VSBIT could provide value in supporting the successful implementation of Act 173, the Special Education law. She will include a placeholder in the FY 21 budget to allow for this possibility. Laura also noted a communication plan is nearing completion, and we anticipate implementing the plan in the remainder of FY 20 and into FY 21. The annual member survey may be modified based on the findings of the communication plan.

### **Preliminary FY 21 Budget Discussion**

Laura Soares reviewed her FY 21 budget summary memo, highlighting several areas of note. A draft budget will be provided at the April meeting, for adoption by the end of May.

### **Enter into Agreement with Auditor for FY 20**

Brenda Fleming made a motion, seconded by Michael Bailey, to engage Sullivan & Powers to conduct the FY 20 audit. Chair Bob Giroux signed the engagement letter. Rick Brigham will be the lead partner.

### **Authorize Closing of 1982-1998 Workers' Compensation Program, Distribution of remaining funds, and Act on Resolution regarding future expenses – Chris Roberts**

Brenda Fleming made a motion, seconded by Mike Bailey, to authorize the closing of the 1982-1998 Worker's Compensation Program and distribute the remaining funds as recommended, and the Board unanimously resolved to take the following action with respect to closing the Program:

Be it resolved that the Board will return all remaining surplus from the Program to the membership based on formulas already established and utilized for prior Program distributions.

Be it resolved that should any future liabilities arise related to the Program, the VSBIT general reserve funds will be used to pay such liabilities.

The motion passed and the Resolution was adopted.

### **December 31, 2019 Financials**

Chris Roberts summarized the financials that were provided to the Board via email. After review, Mike Baily made a motion, seconded by Michael Clark, to accept the 12-31-19 financials. The motion passed.

**Dashboard Policy – Act on Recommendation to Change Indicator/Target for Investment Performance – Chris Roberts and Bob Giroux**

Tabled until the April meeting.

**Adjournment**

There being no further business, the meeting adjourned at 6:58 p.m.

Respectfully submitted by: Laura Soares

Next Regular Business Meeting: April 30, 2020 3:30 pm