

Vermont School Boards Insurance Trust (VSBIT)

Board of Director's Meeting Minutes

February 26, 2018

Present: Stuart Weppler, Bob Giroux, Brenda Fleming, Emily Long

Staff: Laura Soares, President, Chris Roberts, Manager of Finance, Tim Vincent, Multi-Line Program Manager, Jordan Bergeron, Multi-Line Assistant Program Manager and David Pickel, Risk Management Consultant

Additional Attendees: Tracy Wrend, VEHI Board Chair

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

Public Comment: None

Approve Minutes of December 8, 2017 Board Meeting

Emily Long made a motion, seconded by Brenda Fleming, to approve the minutes of December 8, 2017. The minutes were approved as written.

Consider Potential Changes to VEHI-VSBIT Service Agreement for FY 19

VEHI and VSBIT have a five-year Service Agreement in place that extends until June 30, 2019. It will automatically renew for another three-year term unless either party takes action. VEHI Board Chair Tracy Wrend attended the meeting to inform the VSBIT Board that the VEHI Board would like to discuss revisions to the Agreement at the end of the current term. In particular, the VEHI Board would like the Agreement to reflect in more detail the actual scope of services provided by VSBIT. Laura Soares shared a draft document outlining in more detail the current services VSBIT provides to VEHI under the Service Agreement; this document has already been reviewed by the VEHI Board.

During discussion, the VSBIT Board requested inclusion of language that makes it clear VSBIT is the fiscal agent implementing and monitoring decisions of the VEHI Board, and that VEHI is ultimately responsible for its own deficit/surplus position. Laura Soares will engage legal counsel to propose language. In addition, the VSBIT Board requested the open ended language of "other [administrative] services as assigned" be qualified or removed. VSBIT allots appropriate staff to meet the terms of the VEHI Agreement as outlined, but does not have the capacity to fulfill any and all requests that the VEHI Board may make in the course of the Agreement.

The VSBIT Board requested the scope of services be attached as Appendix A to the FY 20 Agreement and that the Appendix be finalized between the two parties no later than December 2018 to allow VSBIT to incorporate the revised scope of services in its FY 20 budget and staffing.

Review and Accept 12-31-17 Financials

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

Review 12-31-17 Dashboard

The Board reviewed and discussed the 12-31-17 Dashboard with Chris Roberts.

Review and Discuss DFR FY 16 Examination Report and Recommendations

a. Management Response Update

- i. Information Technology** - Laura Soares provided a memo outlining the analysis and recommendation of management in response to the DFR FY 16 Audit Management Letter. VSBIT has begun vulnerability testing and will continue to conduct vulnerability scans on a monthly basis. The Board agreed to this approach, given that the most sensitive data is held by TPAs (BCBSVT, NEDD, ASC and Equifax) and that the monthly scans allows VSBIT to identify and respond to potential weaknesses in our IT systems in a timely manner.
- ii. ML Program Reinsurance Strategy** – The Board reviewed the draft policy to address the recommendation on the DFR FY 16 Audit Management Letter. There were no suggested revisions. The policy will be considered for adoption at the next Board meeting.
- iii. ML Program Reserves Policy** - The Board reviewed the draft policy to address the recommendation on the DFR FY 16 Audit Management Letter. There were no suggested revisions. The policy will be considered for adoption at the next Board meeting.

Update on 2017 Strategic Objectives

Laura Soares reviewed the 2107 strategic objectives. There was a discussion with the Board.

Review and Accept 2018 Business Plan

The Board reviewed the 2018 Business Plan, including the 2018 strategic objectives. Bob Giroux made a motion, seconded by Brenda Fleming, to accept the Plan as presented. The motion passed. The Plan will be filed with DFR.

Multi-Line Program Strategic Plan Update

Tim Vincent, Dave Pickel and Jordan Bergeron provided an in-depth review of the Multi Line Strategic Plan including items completed in the past year as well as updates on the status of the short-term and mid-term goals. The Board appreciated the informative presentation and commended the work of the Program on behalf of members.

Initial FY 19 Budget Discussion

Laura Soares and Chris Roberts reviewed the draft FY 19 budget and summary memo with the Board, highlighting the proposed approach to the FY 19 budget. A line item budget will be provided at the April meeting, and the Board needs a budget in place by June 4th in order for the VEHI Board to adopt its FY 19 budget prior to the start of the new fiscal year. After discussion, the Board conceptually approved the approach and had no modifications to the proposal.

Personnel Policy Review

- a. **Is the organization in compliance with this Policy?** Laura Soares provided a memo confirming compliance with the Policy after legal review of the Handbook. Minor modifications were made to the Employee Handbook as a part of the legal review, and the Board was provided a copy in track changes. A motion was made by Brenda Fleming, seconded by Bob Giroux, to confirm the organization is in compliance with the Policy. The motion passed.
- b. **Would the Board like to consider changes to this Policy?** There were no suggestions to consider revisions to the current Policy.

Review Update Disaster Recovery Plan

The Board reviewed the Disaster Recovery Plan. The Board requested contact information for all Board members be included in the document, and that the Plan reflect the current Chair of the Board. These revisions will be made and an updated Plan placed in the Dropbox.

Enter into Agreement with Auditor for FY 18 Audit

Brenda Fleming made a motion, seconded by Bob Giroux, to engage Sullivan & Powers to conduct the FY 18 audit. Chair Stuart Wepler signed the engagement letter. Chad Hewitt will remain the lead partner and there is no change in the scope of services or the pricing. The motion passed.

Draft Code of Ethics Policy for Review and Possible Adoption

DFR recommended that VEHI adopt a Code of Ethics Policy, and while this was not included in the VSBIT Management Letter, it was discussed with VSBIT management during the course of the examination. Therefore, in line with best practices, Laura Soares brought a draft Code of Ethics Policy for the VSBIT Board to review and consider for adoption. After discussion, the Board agreed to place the Policy on the agenda of the next meeting for adoption.

Draft Conflict of Interest Policy for Review and Possible Adoption

DFR recommended that VEHI adopt a Conflict of Interest Policy, and while this was not included in the VSBIT Management Letter, it was discussed with VSBIT management during the course of the examination. Therefore, in line with best practices, Laura Soares brought a draft Conflict of Interest Policy for the VSBIT Board to review and consider for adoption. After discussion, the Board suggested a few changes and agreed to place the Policy on the agenda of the next meeting for adoption.

Adjournment

There being no further business, the meeting adjourned at 6:30 p.m.

Respectfully submitted by: Laura Soares