

Vermont School Boards Insurance Trust (VSBIT)
Board of Director's Teleconference Meeting Minutes
April 30, 2020

Present: Bob Giroux, Michael Bailey (4:10), Steve Hier (until 5:50) & Michael Clark (with a brief absence from 5:30 to 5:50).

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

The meeting was called to order at 4:00 p.m., by Chair Bob Giroux.

Review and Adoption of Agenda

The agenda was adopted with agreement to delay the Search update to later in the meeting.

Public Comment: None

Approve Minutes of January 30, 2020 and February 19, 2020 Board Meetings

Michael Clark made a motion, seconded by Steve Hier, to approve the minutes of January 30, 2020 and February 19, 2020. The minutes were approved as written.

COVID-19 Response and Support for Members

Governor Scott declared a state of emergency on March 13th in response to the COVID-19 pandemic, and on March 24th he issued a stay-at-home order. VSBIT began planning in mid-March for all staff working remotely. All staff have been doing so since March 25th. VSBIT has been able to continue all operations without interruption, although changes have been made to some processes and one person goes to the building each day to perform essential duties such as open mail, scan documents, write checks, or monitor the building.

The Multi-Line and Unemployment programs each developed a COVID-19 planning document to consider all possible scenarios and take steps, where possible, to mitigate risks for the program/membership. The Board was provided both planning documents and commended staff for their thorough work. These documents are revisited regularly and updated as needed. DFR requested the Multi-Line Program complete an NAIC COVID-19 Information Request. A copy of this document was sent to the Board over email.

The Multi-Line Program has developed new risk management resources for members to manage the various risks related to COVID-19. This work is ongoing. VSBIT used Statewide Initiative funds to support a legal group which provided responses to questions raised by school leaders in

the areas of employment practices and special education to allow them to better respond to the closure of school buildings and the move to remote learning. We also worked with Prevent Child Abuse Vermont to support virtual training for school leaders to understand and mitigate the risks in the cyber/online learning environment. Finally we partnered with VCSEA to provide virtual training for special educators related to COVID-19.

Updates

- a. **Unemployment Program Distribution – Act to delay** - The Board approved a distribution for the Unemployment program, which was scheduled to take place in April. Given the onset of COVID-19 and the uncertainty of future unemployment claims, the distribution was not made. Michael Clark made a motion, seconded by Steve Hier, to delay any distribution from the Unemployment Program until COVID-19 claims have been processed and the Net Position has been re-evaluated. The motion passed.
- b. **President Search – Potential Executive Session** – See section later in the minutes.
- c. **President FY 20 Evaluation Process** – The Board agreed not to conduct a formal evaluation of Laura Soares due to her pending retirement. The instrument itself will be reviewed at the next meeting to determine if any changes will be made for FY 21.
- d. **Resiliency Pilot – Request to Modify** – Tim Vincent provided a summary of his document requesting the Resilience Pilot, which was scheduled to take place in FY 21, be modified to focus on supporting school employees this spring and summer to build resiliency in response to COVID-19. This phase will not focus on students or buildings. Board members and key VSBIT staff will be able to participate to experience the program for themselves. Michael Clark made a motion, seconded by Steve Hier, to approve up to \$50,000 to roll out a program this spring for school personnel with no cost to school employees.
- e. **Marketing and Communication Plan/Member Survey** – Laura updated the Board. Esmond Communications has been engaged with a budget for \$10,000 to develop a ‘tag line’, talking points, a single communication piece and a short video on the organization. Staff is also looking at freshening the Logo and securing expertise to update the Member Survey. This work will take place in FY 21.

Multi-Line Updates

- a. **FY 21 Renewal** - Tim provided a preliminary update to the FY21 renewal. The formal meeting with the broker does not take place until May 7, 2020. The good news is that there will be no changes to coverage limits or self-insured retention. The property market is trending upwards of a 35% increase in premium. The liability lines are more stable with high single digit rate increases yet it appears as though the structure will change at the higher levels with a quota share arrangement between multiple carriers. Workers’ compensation is trending low to middle single digit increase. The excess net position disbursement previously approved by the Board to offset rate increases for members should be able to hold the base rate flat as forecasted.

- b. Strategic Business Plan** - Tim reviewed the highlights of the strategic business plan which was previously supplied for their review in the Board packet. Bringing account management functions in house and investigating the potential of an internship program were noted as concluded items. Short term operational goals included the continued effort of placing Ice Alert sensors at member schools (140 schools), a new initiative to prevent water damage claims which include water and temperature sensors as well as infrared inspections, and ongoing gains in engaging facilities personnel. Risk management toolkits continue to be added to the member resource section (contractual risk transfer, transportation, FMLA, and independent contractors). An update was provided to the Board regarding exploring alternative risk financing structures and the evaluation of member partnerships due to mergers/acquisitions for both the claims third party administrator and the program actuaries. For mid-range goals it was reported that the focus of bringing claims operations in house has now grown to encompass a third option; partnering with a different claims third party administrator,
- c. Net Position Benchmark Study** - Program administration has been working with the actuaries to develop benchmarks that accurately reflect the financial standing of the Multi-Line as it relates to industry standards. We are still awaiting a final report however the actuaries have indicated that adding the recommended SIR to net position ratio and updating the BCAR A rated companies benchmark will not materially change the calculation of excess net position. The final report and recommendations for Board action will be ready for the next Board meeting.

Review and Accept Quarter Financials and Review Dashboard as of March 31, 2020

Chris Roberts reviewed the 3-31-20 quarterly financials responding to questions. Steve Hier made a motion, seconded by Mike Bailey, to accept the financials as presented. The motion passed.

Chris reviewed the 3-21-20 Dashboard. Mike Baily made a motion, seconded by Steve Hier, to accept the Dashboard. The motion passed.

Discuss Draft FY 21 Budget

Chris Roberts and Laura Soares reviewed the draft FY 21 budget and summary memo with the Board. There will be changes to reflect a reduction in the Multi-Line Program budget as outlined by Tim, to refine the VEHI budget, and to solidify the statewide initiatives for FY 21. The Board conceptually approved the FY 21 budget, including the change in allocation of depreciation and statewide Commission health benefits. A final budget will be brought to the May meeting.

Discussion and Potential Action on Recommendations to Revise Policies and Employee Handbook:

- a. Conflict of Interest Policy** – As discussed at a previous meeting, Laura Soares and Bob Giroux agreed to review this Policy and bring recommendations to the Board for modifications to bring greater clarity to this issue. Nicole Mace was engaged as legal counsel. Rather than modifying the current policy, Nicole suggested a new policy, with an updated definition of Conflict of Interest. The current definition, found in the Bylaws and in Policy, is both narrow and unclear. Her suggested definition more closely mirrors the definition used by the Vermont League of

Cities and Towns in their model policy for municipalities, which are required to have a policy in place. Its broad scope eliminates the need to address “appearance” of a conflict. After discussion, the Board supported this approach. A motion was made by Steve Heir, seconded by Mike Bailey, to approve the new Conflict of Interest Policy and modify the Bylaws to reflect the same definition, subject to the approval of DFR, as Bylaw changes require the Department’s approval. The motion passed. Laura will submit the Bylaws changes and Policy to DFR and keep the Board updated.

- b. Code of Ethics Policy** – Since this Policy is closely linked to the Conflict of Interest Policy, Laura engaged Nicole Mace to review it as well. Her suggested changes were presented to the Board, with the support of Laura and Bob. After discussion, a motion was made by Steve Heir, seconded by Mike Bailey, to adopt the revised Code of Ethics Policy as presented. The motion passed.
- c. Personnel Policy** – Laura had a legal review of the policy this year and provided recommendations for updates to the Policy. After discussion, a motion was made by Mike Bailey, seconded by Steve Hier, to adopt the Personnel Policy as presented. The motion passed.
- d. Employee Handbook** – The Handbook was reviewed by legal counsel as required by the Personnel Policy. Laura presented recommendations to update the Employee Handbook to add Crime Victim Leave to comply with current law, add bereavement leave, and generally streamline the Handbook. After discussion, a motion was made by Mike Bailey, seconded by Steve Hier, to adopt the April 2020 version of the Handbook as presented. The motion passed.

President Search Update (deferred from earlier in the meeting) – There was a motion at 5:50 pm by Michael Clark, seconded by Mike Bailey, to go into executive session to discuss a personnel issue with Laura Soares present. The motion passed. Steve Hier had left the meeting by this time, but as he is on the search committee, he is up-to-date on the process. The Executive Session ended at 6:00 pm. No action was taken.

Adjournment

There being no further business, the meeting adjourned at 6:00 p.m.

Respectfully submitted by: Laura Soares

Next Meetings: May 19, 2020 @ 4:30 pm – Personnel Issue – Potential Executive Session
 May 28, 2020 @ 3:30 pm