

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

December 22, 2022

Present: Michael Clark, Bob Giroux, Brenda Fleming, Steve Hier, and Scott Brown

Staff: Jonathan Steiner, VSBIT President, Chris Roberts, Manager of Finance, Ken Canning, Multi-Line Program Manager

Guests: Rick Brigham, CPA from Sullivan and Powers, Maureen Stazinski and Jimmy Hamrock of Willis Towers Watson

The meeting was called to order at 3:32 p.m. by Jonathan Steiner

Review and Adoption of Agenda

The agenda was adopted as presented.

Public Comment: Michael Clarke notified the board that he had been involved in an auto accident and he was dealing with the residual effects.

Approve Minutes of October 11, 2022

Michael Clarke made a motion, seconded by Scott Brown, to approve the minutes of October 11, 2022. The minutes were approved as written.

Reorganization

a. Election of Chair and Vice Chair

Jonathan Steiner informed the Board that Michael Clark and Bob Giroux were both willing to continue in their roles. Brenda Fleming made a motion, seconded by Scott Brown, to nominate and elect Michael Clark as Chair. Motion passed. Brenda Fleming made a motion, seconded by Steve Heir to nominate and elect Bob Giroux as Vice Chair. The motion passed. Michael Clark took over as chair of the meeting.

b. Appointment of Corporate Secretary

Bob Giroux made a motion, seconded by Scott Brown to nominate and elect Brenda Fleming as corporate secretary. The motion passed

c. Establish Nominating Committee

A motion made by Brenda Fleming, seconded by Bob Giroux to appoint Scott Brown, Steve Hier and Jonathan Steiner to the Nominating Committee was approved.

d. Affirm Organizational Mission and Vision

A motion to affirm the organizational Vision/Mission was made by Scott Brown, seconded by Steve Hier. The motion passed.

e. Review Delegation of Authority Resolution

The Resolution was reviewed by the Board. A motion made by Bob Giroux, seconded by Steve Hier to approve the resolution was made. The motion passed. Discussion ensued regarding the logistics of all board members signing the form and it was determined that Michael Clarke's office had the necessary software for e signatures.

f. Review Conflict of Interest Forms

All Board Members (with the exception of Michael Clark) signed the Conflict-of-Interest Form. They were included in the packet with no concerns noted. Michael Clarke said he would complete his and send it in.

g. Review Duties of Non-Profit Board

Jon Steiner noted the duties of a non-profit board from the AG's office were included in the packet for review.

h. Review and Affirm Annual Work Plan and Meeting Schedule

The board reviewed the annual work plan, which will be revised as needed throughout the year. A motion was made by Brenda Fleming, seconded by Steve Hier to approve the work plan. The motion passed.

Review and acceptance of Audit Report: Rick Brigham from Sullivan and Powers

Rick Brigham presented the FY 22 audit report to the Board, providing an overview of the Management Discussion & Analysis and the exhibits. The auditors provided an unqualified clean opinion following the FY 22 audit. Rick answered questions from the Board and noted that the stock market losses affected many clients, but VSBIT still has a healthy net position. Bob Giroux noted the high quality of work by the accounting staff. Brenda Fleming made a motion, seconded by Steve Hier, to accept the FY 22 audit report. The motion passed.

Meet with Actuarial Team: Maureen Stazinski and Jimmy Hamrock of Willis Towers Watson

a. Annual Review of Reserve Analysis: reserves compared to public entity programs, target surplus, industry updates

The actuaries presented on their role in supporting the Multi-Line Program including their most recent reserve analysis, provided a comparison of the Multi-Line Program with public entity industry benchmarks, where the program compares favorably, the Net Position Benchmarks, and Target Surplus Analysis. Maureen noted WTW's confidence in the new adjusting managers and their philosophy around setting reserves and closing claims. She also noted that with a new management team in place over the last 2 years, the program continues to compare favorably to industry benchmarks. The rise of Cyber claims across the industry was discussed and the measures that VSBIT is taking to mitigate losses in this area. Maureen noted that VSBIT was in a strong financial position despite the stock and bond market performance.

Brenda Fleming left the meeting at 5:00 p.m.

Review quarterly financials and dashboard as of 9-30-22

Chris Roberts reviewed the 9-30-22 quarterly financials and dashboard. She responded to questions. A motion to approve the financial report was made by Scott Brown, seconded by Bob Giroux. The motion passed.

Early Budget Discussion

Chris Roberts discussed her memo recommending that VSBIT no longer charge for VSBIT U as the cost/benefit ratio was marginal and caused more efforts and issues than it was worth to collect on both the VSBIT and member side. The board agreed.

Jon Steiner discussed the Pay and Classification study underway as well as the effects of inflation. He noted that the bulk of the budget is salaries.

Multi-Line Excess Net Assets Review and Recommendation

Ken Canning updated the board regarding the methodology for determining net assets and the options available for its use. With investment returns being stagnant or worse, the recommendation was to not use excess net assets to fund anything more than the current safety grant program. Scott Brown made a motion, seconded by Bob Giroux, to continue to fund the safety grant program. The motion passed.

Steve Hier left the meeting at 5:30

Board Self-Evaluation

Michael Clark said that the self-evaluations had been included in the October packet as well, and that the board members could review them. He noted that they were generally positive with a few things the board could work on to function better in their role.

Multi-Line Update

Ken Canning updated the Board on the Multi-Line program and provided a written report.

President's Update

Jonathan Steiner updated the Board on his activities and provided a written report.

Strategic Objectives Update

Jonathan Steiner directed the board to the 2022 Strategic Objectives update in the packet. Many are completed while others are ongoing or evolving. He will produce a new set for 2023.

Discuss President's Evaluation

Michael Clarke said he had reviewed the evaluations and they were very positive toward Jon and the VSBIT team.

A motion to enter Executive Session was made by Bob Giroux, seconded by Scott Brown at 5:54 p.m. to discuss the evaluation of the President. The Board returned from Executive Session at 5:58 p.m.

Michael Clarke discussed the process to provide Jon Steiner with a timely written evaluation. He will take the comments and synthesize them into a draft prior to 1/1/2023, which he will then circulate to the board with the expectation that any comments be returned to him by 1/20/2023. He will then meet with the President.

Adjournment

Bob Giroux made a motion to adjourn, seconded by Scott Brown. The motion passed and the meeting adjourned at 6:01 p.m.

Respectfully submitted by: Jonathan Steiner

Next Meeting: TBD