

Vermont School Boards Insurance Trust (VSBIT)

Board of Director's Meeting Minutes

October 1, 2018

Present: Stuart Wepler, Brenda Fleming, Emily Long & Bob Giroux, by phone: Michael Clark (until 5:05 pm).

**Staff:** Laura Soares, President and Chris Roberts, Manager of Finance.

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

Public Comment: None

**Approve Minutes of May 21, 2018 Board Meeting**

Bob Giroux made a motion, seconded by Emily Long, to approve the minutes of May 21, 2018. The minutes were approved as written.

**Review and Accept Unaudited 6-30-18 Year-End Financials**

Chris Roberts summarized her memorandum dated October 1, reviewing the unaudited FY 18 financials. The onsite audit work has been completed and there are no changes to the numbers. The final audit will be complete by November 1<sup>st</sup> and the auditors are invited to the next meeting of the Board. Overall, FY 18 was positive across programs and operations, and the Board commended the management team. The Board accepted the financial statements as presented upon a motion made by Brenda Fleming, seconded by Bob Giroux. The motion passed.

The Board requested Chris Roberts work with the auditors and come back with a recommendation to raise the level at which assets are capitalized. There is no tax benefit to VSBIT to capitalize and the level has not changed for many years. The Board will consider and act on this recommendation at a future meeting.

**Review 6-30-18 Dashboard and Policy**

The Board reviewed the 6-30-18 Dashboard with Chris Roberts, and discussed the Policy, with particular focus on the indicators for the Unemployment and Multi-Line Programs. The Board did not see any need for policy changes, and concurred management is in compliance with policy.

When looking at the indicators, the Board agreed to remove from the color-coded Dashboard the unemployment ratio of prior three-year average claims to net position but retain this information in the document. The more salient indicator is the ratio of the highest three years average claims to total net position. The legislative pressure on student-staff ratio may result in further staff reductions in the coming years.

Chris Roberts brought forth the recommendation of Tim Vincent, Laura Soares and herself that the Board consider adding a new indicator to both the Multi-Line and Unemployment Programs. This is an indicator which would include interest and dividends earnings (not market change) in determining the overall profitability of each program for the year. Currently, the indicators look at member contributions and expenses without taking into account an investment earnings. With an increased investment in equities, management recommends the Board include this indicator in the Dashboard document, but not in the color-coded grid. The Board concurred, and Chris will bring information to a future Board meeting. The Board will then take action to formally modify the indicators.

### **Review 2018 Board Evaluation Survey Results**

The Board reviewed and discussed the results of the self-evaluation survey. The Board highlighted the value of the comments, noting nothing required action. There was a discussion of the Board's role in connecting with members, and agreement that the designated superintendent, school board and business manager seats on the Board were important in this regard. Beginning this year, the organization will conduct an annual survey of members to inform the Board and organization.

### **Update on 2018 Strategic Objectives**

Laura Soares reviewed the 2018 Strategic Objectives update with the Board. Chris, Stuart and Bob provided an update from the investment committee, Laura indicated the changes to the VEHI Board delayed the joint meeting of the two boards to discuss audit firm selection. The VSBIT-VEHI Service Agreement term expires June 30<sup>th</sup>, however there is an auto-renew clause. The Board commended Chris Roberts on the selection of the new business software system and the smooth transition due to her planning and testing. The new system increases efficiency in many areas, allowing a reduction of .5 FTE devoted to accounting. Laura indicated that while the Multi-Line program is no longer contracting with Best Doctor, it has retained through other relationships all of the core services that are benefiting the program.

The Board requested the actuaries from Willis Towers Watson meet with the Board in-person this year and that ahead of the meeting a framework is developed to endure the conversation is focused and meaningful. It was suggested that a similar document to the Audit Guidance document be

developed for this purpose. Laura Soares and the Multi-Line team will meet with WTW this December and will work with them to develop.

### **Plan for 2018 Annual Meeting**

Emily Long and Michael Clark will be in attendance at the Annual Meeting. The nominating committee is bringing forth Michael Clark and Steve Hier to the membership to fill the open seats. The Board and Management thanked Emily Long for her six years of service. Emily was presented with a gift of appreciation.

### **Act on Resolution to Restate 403(b) Retirement Plan**

Bob Giroux made a motion, seconded by Brenda Flaming, to adopt the following resolution. The motion passed.

*Resolved, that the form of amended 403(b) Plan effective January 1, 2010, presented to this meeting is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan. The undersigned further certifies that the attached hereto is a true copy of the Vermont School Boards Insurance Trust 403(b) Plan as amended and restated.*

### **Adjournment**

There being no further business, the meeting adjourned at 5:15 p.m.

Respectfully submitted by: Laura Soares

Next Meetings:	October 19, 2018	8:00 am	Annual Meeting at Lake Morey
	November 7, 2018	3:30 pm	