

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

December 8, 2021

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

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

Guests: Rick Brigham, CPA Sullivan & Powers, Ann M. Conway, Maureen Stazinski and Zack Renschler 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: None

Approve Minutes of September 28, 2021

Michael Clark made a motion, seconded by Steve Hier, to approve the minutes of September 28, 2021. 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. Steve Hier made a motion, seconded by Brenda Fleming, to nominate and elect Michael Clark as Chair and Bob Giroux as Vice Chair. The motion was approved. Michael Clark took over as chair of the meeting.

b. Appointment of Corporate Secretary

Mike Bailey made a motion, seconded by Bob Giroux, to nominate and elect Brenda Fleming as corporate secretary. Motion passed.

c. Establish Nominating Committee

A motion made by Michael Clark, seconded by Mike Bailey to appoint Bob Giroux, Brenda Fleming and Jonathan Steiner to the Nominating Committee. Motion passed.

d. Affirm Organizational Mission and Vision

A motion to affirm the organizational Vision/Mission was made by Bob Giroux, seconded by Steve Hier. Motion passed

e. Review Delegation of Authority Resolution

The Resolution was reviewed by the Board. A motion made by Brenda Fleming, seconded by Steve Hier to approve the resolution passed.

f. Review Conflict of Interest Forms

All Board Members and Jonathan Steiner have signed the Conflict of Interest Form. They were included in the packet with no concerns noted.

g. 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 Steve Hier, seconded by Bob Giroux to approve the work plan. Motion passed.

Review and Acceptance of Audit Report

Rick Brigham presented the FY 21 audit report to the Board, providing an overview of the Management Discussion & Analysis and the exhibits. The auditors provided an unqualified clean opinion and clean Management Letter following the FY 21 audit. Rick answered questions from the Board. The Board acknowledged the high quality of work by the accounting staff in this area. Bob Giroux made a motion, seconded by Steve Hier, to accept the FY 21 audit report. Motion passed.

Meet with Actuarial Team: Ann M. Conway, Maureen Stazinski and Zack Renschler of Willis Towers Watson

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

Ann, Maureen and Zack 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. Zack noted that VSBIT exceeded all 5 benchmarks for total and unassigned, an improvement from the previous year. 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 being a relatively young pool.

Review Quarterly Financials and Dashboard as of 9-30-21

Chris Roberts reviewed the 9-30-21 quarterly financials and dashboard. She responded to questions. Discussion ensued regarding board communications with the new management team with respect to budget variances and mid-year contracts. Chairman Clark suggested a future agenda item to discuss expectations going forward.

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. His memo discussed 3 possible uses for net excess assets: funding member safety grants, supporting the up-front costs of bringing claims in-house and the Origami system, and unknown potential claims for the new communicable disease coverages. The board discussed the pros and cons of moving the grant program funding from rates to excess net assets. A motion by Steve Hier, seconded by Brenda Fleming to fund the multi-line safety grant program from excess net position and not from rates was made. Motion passed.

Bond Discussion and Approval to Pay off Bond

Bob Giroux and Chris Roberts discussed the benefits of paying off the bonds on the building. A motion by Bob Giroux, seconded by Steve Hier, to pay off the 2012 Series A and B bonds, in the amounts of \$1,184,529.12 and \$75,228.03 respectively, was made. Motion approved.

Multi-Line Update

Ken Canning updated the Board on the Multi-Line program and provided a written report. He noted that an agreement with Vector Solutions (Safe Schools) will offer all members access to a select library of training videos, offer discounts to members purchasing other modules, and allow VSBIT to provide specific local training applicable to Vermont. He also discussed Gallagher Crisis Protect, a new coverage offering up to \$5m for violent attacks, terrorism and more. He will explore and bring a proposal forward in 2022.

President's Update

Jonathan Steiner updated the Board on his activities and provided a written report. He noted that he was spending a majority of time on VEHI/VSTRS issues as we approach 1/1/2022. He also mentioned that the model procedures project is moving forward and that he, Ken and Pietro were meeting later in the month.

Unemployment Program Update

Chris Roberts indicated things continue to improve with first quarter claims totaling \$94,927 after 75% Federal Relief was provided for July and August.

Strategic Objectives Update

Jonathan Steiner directed the board to the 2021 Strategic Objectives update in the packet and will produce a new set for 2022.

Discuss President's Evaluation

A motion to enter Executive Session was made by Bob Giroux, seconded by Brenda Fleming at 5:50 p.m. to discuss the evaluation of the President. The Board returned from Executive Session at 5:57 p.m.

Adjournment

Bob Giroux made a motion to adjourn, seconded by Steve Hier. Motion passed and the meeting adjourned at 5:58 p.m.

Respectfully submitted by: Jonathan Steiner

Next Meeting: TBD