

**MINUTES OF THE JOINT ANNUAL MEETING OF THE MEMBERSHIP
VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND
VLCT EMPLOYMENT RESOURCE AND BENEFITS TRUST, INC.
OCTOBER 8, 2015
KILLINGTON GRAND HOTEL - KILLINGTON, VERMONT**

PACIF Directors Present: Pat Scheidel, Brendan Whittaker, John Lawe, Joshua Powers, Carl Rogers, Stuart Hurd, Walker James, Jackie Higgins and Neal Fox

VERB Directors Present: Bill Shepeluk, Kathleen Ramsay, Joseph Colangelo, Charles Safford, Todd Odit and Carrie Johnson

A quorum was confirmed for both trust organizations represented by member sign-in.

VERB Trust President Bill Shepeluk called the meeting to order at 10:34 a.m. and asked for approval of the agenda.

Upon motion (Safford/Rogers), duly adopted, the agenda was unanimously approved by the membership.

Upon motion (Safford/Svec), duly adopted, the minutes of the 2014 Joint Annual Meeting of the UI, Health and PACIF Trusts were approved by the membership.

Magli Welch of Johnson Lambert reviewed a summary of the 2014 UI and Health trust audits. Since the two trusts have now merged, next year there will be only one audit for VERB. However, since the Health and UI trusts were still separate in 2014, the audits were conducted independently. For the UI Trust, contributions decreased 21% or \$177K, largely due to increased member credits. Paid losses also decreased by 11% while expense allocation increased by 9%. \$300,000 was awarded in member credits for 2014. For the Health Trust, commissions decreased by 65% or \$403K as a result of groups moving to the Vermont Exchange. Expense allocation also decreased 63% or \$463K. There was a slight increase in net position due to investments.

Upon motion (Rogers/Colangelo), duly adopted, the results of the 2014 UI and Health Trust audits were unanimously accepted by the membership.

Ken Canning provided the staff report to the membership. Jill Muhr was recently hired as a Human Resources Consultant for our VLCT members, and details of the new Human Resources Program will be communicated soon. Group Life and Disability Program rates have been extended through July 1, 2018. Also a representative from Health Advocate is here with a booth at Town Fair, and Mr. Canning encouraged members to visit their exhibit. The board approved rates for the 2016 UI program at their meeting yesterday, and rates for 2016 will decrease by 8.8% overall. The board also approved returning \$350,000 in credits to the membership for next year. Individual member rates and credits will vary.

President Shepeluk reported to the membership and introduced the other members of the board. He also reinforced Health Advocate and encouraged members to take advantage of this program as it is largely underutilized. Mr. Shepeluk also discussed the recent changes over the last few years in health insurance and the challenges most of our members faced in moving to the Exchange. Next year employers with 51 - 100 employees will also be required to move to the Exchange, but since Vermont Health Connect is still not working for small businesses, these employer groups will be enrolling directly through the carriers. The benefit in having Health Advocate is that there are now so many more plans employees have to choose from, Health Advocate has the knowledge about these new products and services and can assist employees with choices or claims issues and questions.

Director Odit presented the Report of the Nominating Committee and slate of officers.

Upon motion (Odit/Colangelo), duly adopted, the members voted unanimously to accept the Report of the Nominating Committee and the slate of officers as presented with renewed three-year terms for directors Joel Cope, Kathleen Ramsay and Sandra Gallup.

Upon motion (Odit/Svec), duly adopted, the members voted unanimously to adjourn the VERB Trust annual meeting at 11:03 a.m.

PACIF Trust President Pat Scheidel called the meeting to order at 11:03 a.m.

Upon motion (Powers/James), duly adopted, the agenda was unanimously approved by the membership.

Upon motion (Whittaker/James), duly adopted, the minutes of the UI, HEALTH and PACIF 2014 Joint Annual Meeting were unanimously approved by the membership.

Magli Welch of Johnson Lambert reviewed a summary of the 2014 PACIF audit. There was a 16% increase in net position due to strong investment performance. Contributions increased 9% due to increased rates for worker's compensation. Losses decreased substantially from \$2.5 million in 2013 to \$550K in 2014. The board designated \$500,000 in contribution credits to the members in 2014.

Upon motion (Powers/Fox), duly adopted, the results of the 2014 PACIF audit was unanimously accepted by the membership.

Mr. Canning provided an overview of the PACIF programs and highlighted these programs including Employer Practice Liability (EPL) and WorkStrong. The PACIF Trust has also partnered with Best Doctors and a PBM (Pharmacy Benefit Manager), Express Scripts, and also a company called Health Care Solutions for medical bill review in an effort to reduce worker's comp costs and better manage those claims. The grant program will also continue with \$200,000 in grant funding available to members. Jill Muhr was recently hired as a Human Resources Consultant for our VLCT members, and details of the new Human Resources Program will be communicated soon. The PACIF Board met yesterday, and members can expect an average 5.8% increase in rates for 2016, although individual member rates will vary. The board once again approved returning \$500,000 in credits to the membership for 2016.

President Scheidel reported to the membership and introduced the other members of the board. President Scheidel also read off the names of the founding members of the PACIF board and provided a brief overview and history of the trust, detailing the protection it has provided to members over the years and also the tremendous returns it has been able to give back to its members over the years as well.

Director Brendan Whittaker presented the report of the nominating committee and slate of officers.

Upon motion (Whittaker/Powers), duly adopted, the members voted unanimously to accept the Report of the Nominating Committee and the slate of officers as presented with renewed three-year terms for Pat Scheidel, Melvin Adams, Walker James and Carl Rogers.

Upon motion (Powers/Colangelo), duly adopted, the members voted unanimously to adjourn the PACIF annual meeting at 11:34 a.m.

Respectfully submitted,

David Sichel
Assistant Secretary