

**MINUTES OF A REGULAR MEETING OF THE  
BOARD OF DIRECTORS  
VLCT EMPLOYMENT RESOURCE AND BENEFITS (VERB) TRUST, INC.  
OCTOBER 7, 2015  
KILLINGTON GRAND HOTEL - KILLINGTON, VERMONT**

The meeting was called to order at 3:36 p.m.

Directors present: Bill Shepeluk, Kathleen Ramsay, Joseph Colangelo, Carrie Johnson, Sandra Gallup, Todd Odit and Charles Safford. Directors absent: Joel Cope. VLCT staff present: Ken Canning, David Sichel, Jeremiah Breer, Larry Smith, Michael Gilbar, Maura Carroll and Kelley Avery. Others present: Tina Nuthulaganti (Health Advocate).

A board quorum was confirmed.

**Upon motion (Colangelo/Odit), duly adopted, the board voted unanimously to approve the meeting agenda.**

**Upon motion (Odit/Safford), duly adopted, the board voted unanimously to accept the minutes of the July 30, 2015 board meeting.**

Ken Canning led the staff report. Mr. Canning announced recent staffing changes, including Jill Muhr's hiring for the HR Program position. Various staff have also been giving presentations at functions or have attended national conferences, including AGRIP. He also noted the formation of a new PACIF Board subcommittee on law enforcement risk service best practices. Both Mr. Canning and Executive Director Maura Carroll have reached out to league counterparts in South Carolina to lend guidance due to extensive flooding, damage and loss of life resulting from the recent hurricane. Mr. Canning also relayed Lincoln Financial's announcement intending to extend its rate guarantee for an additional year through July 1, 2018 for the life and disability program.

Jeremiah Breer reviewed the financial statements through June 30, 2015. Total revenue was down .2% from last year, but slightly above budget. Total operating expenses were 4% higher but 3.4% under budget. Claims expenses were down 14.6% and under budget by 45.3%. Investment income is down 97.3% from second quarter last year. Total net position is up \$239 from 2014 year end.

**Upon motion (Odit/Safford), duly adopted, the board voted unanimously to accept the financial statements through June 30, 2015 as presented.**

Director Odit presented the report of the nominating committee, also consisting of directors Johnson and Safford. Directors Cope, Ramsay and Gallup all had terms expiring this year and all have been agreed to serve another three-year term.

**Upon motion (Safford/Johnson), duly adopted, the board voted unanimously to approve the Report of the Nominating Committee.**

Charles Safford represented the board at the August 28th meeting of the Joint Investment Committee. The committee recommended some minor changes to the investment policy, and the revisions were included in the board packets.

**Upon motion (Odit/Safford), duly adopted, the board voted unanimously to approve the proposed changes to the investment policy.**

David Sichel provided an overview of the actuary's 2016 funding analysis for the unemployment insurance program. Mr. Sichel reviewed the various methods by which the actuary determines the 99.9% confidence level for adequate surplus and also the 90% confidence level to set the proposed rates for the upcoming year in anticipation of projected claims costs. Due to favorable claims development, the actuary is proposing a 8.8% decrease in rates for an average 2016 rate of 1.65%. The taxable wage base is also increasing for 2016 from

\$16,400 to \$16,800, so rates have been adjusted accordingly to compensate for this increase. Contribution credits are usually set based the growth in fund balance over prior year, which in this case would be \$173,600. Since the projected net assets for the end of 2015 are healthy, staff is instead recommending a credit of \$350,000 to members in 2016, which is nearly \$50,000 more than last year's credit.

**Upon motion (Johnson/Odit), duly adopted, the board voted unanimously to approve the actuarial report, to approve the rates recommended by the actuary for 2016 at the 90% confidence level and to approve a contribution credit in the amount of \$350,000 for 2016.**

Kelley Avery introduced Tina Nuthulaganti, account manager for Health Advocate. Ms. Nuthulaganti provided the board with an overview of Health Advocate's core advocacy services provided to VLCT members and also reviewed the most recent utilization report through August of 2015. Utilization remains low, but Health Advocate and VLCT staff have been working collaboratively to increase participation and education. Kelley Avery recently emailed Health Advocate groups attachments from a mailing which will go out soon, intended for our member contacts to distribute to their employees. Ms. Nuthulaganti will also have a booth at tomorrow's Town Fair, and she has offered to participate in any upcoming employee education meetings as well for groups 51 - 100 employees in size transitioning into the Exchange.

The board decided to keep the cost of Health Advocate services in the budget for 2016 and to continue paying for the program for those that were grandfathered in and had Health Trust membership prior to the Exchange. The program is also offered to other groups presently at their own cost, but at our special negotiated group rate, of \$1.55 per employee per month. The board asked staff work with Health Advocate and Hickok & Boardman to investigate additional alternatives moving forward such as the possibility of paying for the program for all VERB Trust members, not just those grandfathered for the program, or of discontinuing the funding but continuing the program at a negotiated low rate for members to pay on their own. The board also requested an updated utilization report for their December meeting to see if utilization improves through the end of the year.

Board and staff prepared for tomorrow's annual meeting of the membership. There was no other business.

**Upon motion (Safford/Cope), duly adopted, the board voted unanimously to adjourn the meeting (5:10 p.m.).**

Respectfully Submitted,

David Sichel  
Assistant Secretary