



Published on *Vermont League of Cities and Towns* (<https://www.vlct.org>)

[Home](#) > VERB Board of Directors Meeting Minutes 2018 05-03

VERB Board of Directors Meeting Minutes 2018 05-03

**VLCT Employment Resource and Benefits (VERB) Trust, Inc.
Board of Directors Meeting
May 3, 2018
VLCT Offices, Montpelier, Vermont**

Minutes

Directors present: Bill Shepeluk, Todd Provencher, Todd Odit, Carrie Johnson, Kathleen Ramsay, Chris Hoyt and Joel Cope (by phone)

VLCT staff present: Maura Carroll, Joe Damiata, David Sichel, Michael Gilbar, Jeremiah Breer, Kelley Avery and Larry Smith

Others present: Carrie Rice and Katie Glover (Johnson Lambert, LLP)

The meeting was called to order at 9:31 a.m. A board quorum was confirmed.

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

President Shepeluk invited everyone to go around the table and introduce themselves since director Chris Hoyt is new to the board.

Upon motion (Ramsay/Johnson), duly adopted, the board voted unanimously to approve the minutes of the March 15, 2018 meeting.

Carrie Rice and Katie Glover of Johnson Lambert reviewed the 2017 VERB Trust financial audit. Ms. Rice reported this was an unmodified, clean audit for 2017 with no material weaknesses, internal control recommendations or adjustments. Katie Glover reviewed the financial statements and also provided a brief overview of the testing process. Michael Gilbar noted Finance staff will email a copy of Johnson Lambert's audit review presentation to the board after this meeting.

Upon motion (Odit/Provencher), duly adopted, the board voted unanimously to approve the 2017 VERB Trust Audited Financial Statements.

President Shepeluk asked to move the item on the agenda to discuss the board vacancy to the end of the meeting. There were no objections.

Joe Damiata presented the staff report. Memos from Jessica Hill regarding VLCT staff changes were included in the board packet. Mr. Damiata also noted David Sichel will be attending the NLC RISC Trustees Conference in Santa Fe next week, and he also updated the board on the recent VLCT Listening Sessions which have been taking place.

Jeremiah Breer reviewed the unaudited financials through Q1 2018. Total revenue is down 4.8% from last year at this time. Operating expenses are 5.8% lower than last year, and over 16% under budget. Investment income is down slightly, while claims are up compared to the first quarter of last year. Mr. Breer noted staff is reviewing the budgeted figure for 2018 contributions and will update the board on this issue at a future meeting.

Kelley Avery reviewed the Q1 2018 unemployment claims reports. First quarter claims were 6.48% higher than the first quarter of 2017, and were also up 88% compared to Q4 2017. The number of claims processed rose 10% compared to Q1 2017 but decreased 2% compared to Q4 2017. Ms. Avery noted that, effective with the Q2 reporting this year, the Equifax period charge report for the board will no longer show claimant detail but simply member totals. UI Program participating members will still receive their quarterly reports with the individual claimant detail.

Upon motion (Ramsay/Johnson), duly adopted, the board voted unanimously to accept the first quarter unemployment reports.

Upon motion (Ramsay/Odit), duly adopted, the board voted unanimously to accept the first quarter unaudited financial statements.

Michael Gilbar informed the board the 2018 audit will be the last contractual audit for Johnson Lambert as their contract is up for renewal. The VLCT Board recently voted to put the services out to bid. The VLCT Board also discussed the possibility of having different firms conduct each of the organizational audits (VLCT, VERB and PACIF) separately. A single auditing firm conducting all audits may be the most efficient method, but separate firms auditing each entity would mean more sets of eyes, which might also be beneficial. The board and staff discussed the benefits and challenges to both scenarios. Ultimately the board deferred to the VLCT Board's preference.

Upon motion (Ramsay/Johnson), duly adopted, the board voted unanimously to instruct staff to request bids from auditing firms for multi-year term contracts and to request cost structures for both consolidated and individual audits.

Joe Damiata reviewed the 2018-2019 Northeast Delta Dental (Delta) proposed renewal. Staff met with VLCT's NEDD Account Manager, Sarah Thayer, in March, and the original proposal presented to us was for a 3.65% rate increase. Staff pushed back seeking a lower rate, and Ms. Thayer suggested incorporating claims through March 2018 to see if it would bring those costs down. Staff accepted Ms. Thayer's suggestion, and incorporating the claims experience through March brought the renewal proposal down to 2.9%, which is below Delta's 3% trend. Mr. Damiata noted this is the first claim-driven rate increase we have seen in several years, as rates have otherwise been very stable. Mr. Damiata also reviewed the 2017 utilization report provided by Delta.

Upon motion (Odit/Ramsay), duly adopted, the board voted unanimously to accept the Northeast Delta Dental 2018-2019 renewal as presented at a 2.9% rate increase.

Kelley Avery reviewed the 2017 stewardship report from Equifax Workforce Solutions. VLCT's new Account Manager at Equifax, Carol Shular, had planned to attend this meeting to present the report in person, but she was unable to attend due to a family emergency. She hopes to attend a future meeting. The summary showed

Equifax processed 346 claims for VLCT in 2017 representing \$1.3 million in potential liability. Equifax removed \$91,478 in potential liability at the initial protest and appeal level. The report also compared VLCT to peer groups and provided a historical perspective over the past three to four years.

Upon motion (Odit/Provencher), duly adopted, the board voted unanimously to accept the Equifax Workforce Solutions 2017 Executive Summary as presented.

David Sichel provided the legislative update. There were no bills introduced in this session that impact the VERB Trust. Mr. Sichel mentioned both he and Maura Carroll attended a meeting at Hickok & Boardman HR Intelligence, which was initiated by the City of South Burlington, to discuss the issue of health care cost control.

Upon motion (Ramsay/Provencher), duly adopted, the board voted unanimously to enter into Executive Session to discuss personnel, litigation and contractual negotiations (11:12 a.m.).

Upon motion (Odit/Provencher), duly adopted, the board voted unanimously to exit Executive Session (11:44 a.m.).

Regarding the board vacancy, Joe Colangelo recently left the board due to a move out of state, and a copy of his resignation letter was included in the board packets. President Shepeluk suggested, due to the board's upcoming strategic planning process, it might be helpful to invite a past board member back onto the board to assist in this process and leave new director Chris Hoyt as an alternative for now. President Shepeluk stated he has spoken to Charles Safford of Stowe, who previously served on the board, and Mr. Safford is agreeable to returning if the board accepts his reinstatement. The board had no objections.

Upon motion (Ramsay/Johnson), duly adopted, the board voted unanimously to appoint Charles Safford of Stowe to the VERB Trust Board to fill director Colangelo's remaining term.

Upon motion (Johnson/Odit), duly adopted, the board voted unanimously to adjourn the meeting (11:49 a.m.).

Respectfully Submitted,
David Sichel, Assistant Secretary

Board or Committee:

VERB Board of Directors

Board/Committee Meeting Date:

Thursday, May 03, 2018

Resource Category:

- Minutes
-