VLCT Employment Resource and Benefits (VERB) Trust, Inc.
Board of Directors Meeting
August 15, 2019
VLCT Offices, Montpelier, Vermont

Minutes

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

VLCT staff present: Maura Carroll, Joe Damiata, Jeremiah Breer, Larry Smith, Elena Esteban, Lisa Goodell and Kelley Avery

Others present: Michael Kilfoyle (Hickok & Boardman HR Intelligence)

The meeting was called to order at 10:02 a.m.

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

Upon motion (Safford/Ramsay), duly adopted, the board voted unanimously to approve the minutes of the May 2, 2019 meeting.

Joe Damiata introduced VLCT’s new Communicator Director, Elena Esteban. Lisa Goodell also provided Town Fair registration forms to board members and asked that they be returned to her by August 30th. Larry Smith updated the board on 2020 Exchange plan approved rates, which were passed by the Green Mountain Care Board late last week. Blue Cross is looking at an average 12.4% increase, and MVP is looking at an average 10.1% increase.

Jeremiah Breer reviewed the unaudited financials through June 30, 2019. Net position is up $277,575 from 2018 year-end with an operating deficit of $72,165. Total liabilities are still down compared to last year, despite rising claims. Total operating expenses are nearly 20% lower than last year and under budget. Investment income is up through the end of the quarter.

Upon motion (Provencher/Safford), duly adopted, the board voted unanimously to accept the financial
Kelley Avery reviewed the Q2 2019 unemployment claims reports. Second quarter claims costs were down 43% compared to first quarter, but up 37% compared to Q2 2018. Claims occurrences were down compared to both Q1 2019 and Q2 2018. Ms. Avery also noted effective July 1 the maximum weekly benefit amount for unemployment was increased from $498 to $513.

Michael Kilfoyle of Hickok & Boardman HR Intelligence (HBHRIQ) reviewed the Annual Stewardship Report summarizing support and services provided over the past year. Mr. Kilfoyle also touched upon services HBHRIQ continues to provide to VLCT and its members in addition to new offerings such as training and development programs.

Mr. Kilfoyle also reviewed the recent request for proposals for the life and disability program. Of the eight carriers solicited, five declined to quote as they could not improve upon our current rates. The remaining carriers, aside from the incumbent, Lincoln, were UNUM and Madison Life. Madison quoted the lowest rate; however, they are not yet licensed in the state to sell long-term disability. UNUM’s quote was the highest of the three carriers.

Given Lincoln’s competitive proposal, service model changes and the three-year rate guarantee, staff is recommending the board approve staying with Lincoln.

Upon motion (Safford/Ramsay), duly adopted, the board unanimously approved keeping the VERB Trust life and disability program with Lincoln Financial Group as the sponsored carrier.

Joe presented a proposed new VERB Trust Service Provider Contracts Policy to the board. This same policy was recently adopted by the PACIF board as it is considered best practice as recommended by the Association of Government Risk Pools (AGRiP). The purpose of the policy is to establish provisions that, whenever possible, should be included in service provider contracts.

Upon motion (Cope/Ramsay), duly adopted, the board unanimously approved adopting the VERB Trust Service Provider Contracts Policy.

In accordance with the new policy, staff requested an Engagement Letter from the Trust’s legal counsel, John Riley. Although the Health and UI Trusts likely authorized John Riley as legal counsel years ago, a new Trust has now formed and Mr. Riley’s practice should be formally approved under the current Trust.

Upon motion (Safford/Provencher), duly adopted, the board unanimously approved John Riley of Rice & Riley, PLLC s as authorized legal counsel to the VERB Trust.

President Shepeluk appointed directors Provencher, Cope and Ramsay to serve on the Nominating Committee for this year’s annual meeting of the membership. Kathleen Ramsay will chair the committee. This committee will meet shortly before the next meeting to review its report and any nominations submitted.

Mr. Damiata reviewed his memo on VERB’s Strategic Path dated August 6, 2019. This memo makes specific staff recommendations including the following:

- Discontinue VLCT VERB Trust involvement in health insurance advisory services starting 1/1/20; Hickok & Boardman (H&B) can choose to continue working with VERB members going forward and
VERB will receive a fee from H&B for each placement.

- Discontinue the Health Advocate program when the current multi-year contract expires (3/1/20).
- Continue sponsorship of life and disability programs; the current agreement with H&B will not change (1/1/20).
- Continue sponsorship of Dental and Vision insurance programs (1/1/20).
- Continue the Unemployment Insurance Program as currently structured.

The board discussed staff’s recommendations in detail and spent a considerable amount of time exploring the future of the Trust. In the end, the board agreed to the recommendations as proposed and asked staff to explore a few additional options and report back to them.

Upon motion (Safford/Odit), duly adopted, the board voted unanimously to approve the staff recommendations as outlined in Joe Damiata’s memo dated August 6, 2019.

Upon motion (Provencher/Cope), duly adopted, the board voted unanimously to adjourn the meeting (11:57 a.m.).

Respectfully submitted,
Kelley Avery, Assistant Secretary

**Board or Committee:**
VERB Board of Directors

**Board Meeting Date:**
Thursday, August 15, 2019

**Resource Category:**

- Minutes