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Minutes of a Regular Meeting of the Board of Directors VLCT Employment Resource and Benefits (VERB) Trust, Inc. December 15, 2016 VLCT Offices, Montpelier, Vermont

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

VLCT staff present: Ken Canning, David Sichel, Jeremiah Breer, Kelley Avery, Mike Gilbar, Maura Carroll, Larry Smith and Abby Friedman

Others Present: Carrie Rice and Jillian Mulcahy (Johnson Lambert)

The meeting was called to order at 10:03 a.m.

A board quorum was confirmed.

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

Upon motion (Safford/Odit), duly adopted, the board voted unanimously to approve the minutes of the October 5, 2016 meeting.

Carrie Rice and Jillian Mulcahy of Johnson Lambert provided a brief overview of the 2016 audit plan. Pre-audit processes began in the fall and will complete in early 2017, and the final audit will be presented at the April 2017 meeting.

Ken Canning welcomed Todd Provencher to his first meeting as a full board member. Mr. Canning provided an update on staffing changes at VLCT. Most notably, Joe Damiata has been promoted to Managing Deputy Director of Risk Management Services, and a new Marketing and Communications Department has been formed, with a search underway for a Director to lead the new department. Mr. Canning also noted that he and David Sichel attended the NLC-MIC Board meeting last week where Mr. Sichel was named Chair of the NLC Investment Committee. Additionally, VLCT PACIF was recently awarded Advisory Standards Recognition from the AGRiP (Association of Government Risk Pool).

Jeremiah Breer reviewed the financial statements through September 30, 2016. Revenue is down 9.6% from last year at this time, and claims expenses decreased by roughly 3%. Total net position is up over \$141,157 from year-end. Investment income is higher than at this time last year. Claims are coming in well under budget. The board and staff briefly discussed the issue of annual conservative claims estimates and also growing surplus. The board requested staff note the issue to discuss at a retreat or strategic planning meeting to take place next year.

David Sichel reviewed an investment update from Strategic Asset Alliance (SAA). Fixed income funds fell somewhat, but interest rates are up, so stocks are up as well. Overall the portfolio is performing well for 2016 thus far. SAA did make some fund change recommendations, and the update also highlighted some post-election issues for consideration.

Upon motion (Cope/Ramsay), duly adopted, the board voted unanimously to accept the financial statements and investment update through September 30, 2016.

Larry Smith presented the health insurance and benefits renewal for 2017. Several new members signed on for the Health Insurance Advisory services program. There are now fourteen members participating. Mr. Smith also reported new business activity for life, vision and dental.

Kelley Avery reviewed the Unemployment Insurance Program renewal. Bills went out to members after Thanksgiving. With the ample credit distribution for 2017, 18 members were only required to pay the \$250 management fee for 2017, with several other paying a very low or nominal fee.

Ms. Avery also reviewed the unemployment claims reports through September 30, 2016. Third quarter claims costs fell 62% compared to the second quarter and 33% compared to the third quarter of 2015. To date, total claims costs are roughly 3% lower overall than they were at this same time last year. Claims are on the rise for October and can be expected to continue to rise for the final quarter.

Upon motion (Safford/Colangelo), duly adopted, the board voted unanimously to accept the third quarter unemployment claims reports as presented.

The board reviewed the slate of officers and committee members for 2017. The board noted one correction: Directors Shepeluk and Colangelo should be assigned to the Joint Investment Committee.

Upon motion (Cope/Safford), duly adopted, the board voted unanimously to accept the slate of officers and committee members as corrected.

The board and staff discussed the absence of a board alternate, but no action was taken on this issue.

Mike Gilbar reviewed updates to the Administrative Support Services Agreement and the annual Addendum to the agreement. Mr. Gilbar noted one additional correction to the agreement to page 6 where the year should be changed from 2015 to 2017. New sections have been added to the agreement regarding quarterly reporting to the board, indemnification, ownership and confidentiality of data, assignability, conflict of interest and a non-compete clause. The updated costs on the Addendum are also detailed in the proposed budget.

Upon motion (Safford/Ramsay), duly adopted, the board voted unanimously to approve the updated Administrative Support Services Agreement and Annual Addendum to the Agreement for 2017 as presented and corrected.

Mr. Gilbar also reviewed updates to the Memorandums of Understanding between VERB and PACIF and between VERB and the VLCT Municipal Assistance Center for the Human Resources Program for 2017. Code of conduct, non-compete and confidentiality clauses have also been added to these documents.

Upon motion (Safford/Johnson), duly adopted, the board voted unanimously to approve the updated Memorandums of Understanding for 2017 for the Human Resources Program.

David Sichel presented the proposed VERB Trust Budget for 2017. Overall the budget is flat with just a \$400 increase from 2016 to 2017. Projected revenue is down for 2017 due to decreased UI Program member contributions with lower rates and the \$350,000 contribution credit returned to members. General and administrative expenses are flat, while administrative services are increasing by 3% due to projected IT cost increases for 2017 and a new position expected for the Marketing and Communications Department. Michael Gilbar noted one correction to the last page of the budget where Interest and Dividends should be changed from \$20,000 to \$115,000 to more accurately reflect projected figures.

Upon motion (Safford/Colangelo), duly adopted, the board voted unanimously to approve the proposed 2017 VERB Trust Budget as corrected and presented.

The board and staff reviewed the proposed board meeting schedule for 2017. Board directed to staff to come to the March meeting prepared to propose a date for a strategic planning retreat for 2017.

There was no other business.

Upon motion (Safford/Cope), duly adopted, the board voted unanimously to adjourn the meeting (12:00 p.m.).

Respectfully submitted,
David Sichel, Assistant Secretary

Board or Committee:
VERB Board of Directors

Resource Category:

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