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## VERB Board of Directors Meeting Minutes 2020 12-17 (draft)

**VLCT Employment Resource and Benefits (VERB) Trust, Inc.  
Board of Directors Meeting  
December 17, 2020  
Virtual Meeting via GoToMeeting and Telephone**

### **Minutes**

**Directors present:** Bill Shepeluk, Joel Cope, Chris Hoyt, Charles Safford, Kathleen Ramsay, Carrie Johnson and Todd Odit

**VLCT staff present:** Maura Carroll, Joe Damiata, Jeremiah Breer and Kelley Avery

**Others present:** Magali Welch and Laura Macuga (Johnson Lambert – 10:30 a.m.)

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

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

Upon motion (Safford/Ramsay), duly adopted, the board voted unanimously to approve the minutes of the October 22, 2020 meeting.

Joe Damiata provided a brief organizational update to the board including the following:

- Under VLCT staff changes, Peggy Tucker will be retiring, and Aggie Elwell will be moving to part-time.
- Some staff are testing a Linked-In Learning web training tool which will be rolled out to all staff next year. With reduced travel due to COVID-19, the hope is that this will provide some additional training opportunities at a reduced cost.
- Maura Carroll noted a communication went out to VLCT members as an open invitation for municipal officials, staff and other municipal representatives to participate in an Equity Committee.
- Maura Carroll also provided an update regarding the search committee progress on finding her successor. The deadline for applicants is next Monday, and the hope is to hold interviews in January and February and have a successor chosen by March.

Jeremiah Breer reviewed the unaudited financials through September 30, 2020. The Trust's net position

is down 14.9% from the start of the year, largely due to high unemployment claims experience due to the pandemic. This was softened somewhat by investment returns and the 50% reimbursement in CARES Act federal funds received toward the second quarter unemployment costs. Liabilities are up over 154%, also due to claims, and revenues are down 10.3% due to decreased UI Program member contributions for 2020 and decreased commissions with the new business arrangement between VERB and Hickok & Boardman HR Intelligence. Overall, the trust is in a healthy position despite the substantial costs incurred for the year.

Upon motion (Safford/Odit), duly adopted, the board voted unanimously to accept the Q3 unaudited financials.

Kelley Avery provided a UI renewal update and claims update through the third quarter. Despite the significant cost increase to members for 2021, the Trust retained all 209 participating members. Gross contributions from 2020 to 2021 increased by 17% on the average due to the overall 29.3% rate increase, but these actual cost increases averaged 129% to members when factoring in the generous contribution credits returned in 2020 of \$325,000. Members seemed to understand the need for the Trust to retain all of its net position and to withhold contribution credits next year for the stability of the Trust fund and the safety of all participating members.

Q3 claims totals are preliminary as the Q3 billing statements from the VT Department of Labor (VDOL) were just received and have not yet been reconciled. Currently the Q3 total stands at \$744,269 in claims, and per CARES Act provisions, which are set to expire at year-end, we are only required to pay half of this total, or \$372,135. The VDOL billing statements showed many errors and discrepancies, and staff will be following up with both Equifax and the VDOL to attempt to resolve these issues. As a result, the Q3 total will likely change as additional reconciliation occurs. Claims frequency is up considerably from last quarter with 580 claims processed for Q3, which seems to show the VDOL is once again sending initial claim statements directly to Equifax.

Ms. Avery also provided a brief update on the Health Insurance Advisory Services program participating member renewals and also new business. New business has been very slow in 2020 with only one member adding dental and vision and another adding short-term disability. Possible lack of interest due to economic and budget factors impacted by the pandemic may be to blame for the slow year. There are a number of quotes pending for life and disability, but these are for potential start dates in 2021.

Upon motion (Odit/Johnson), duly adopted, the board voted unanimously to accept the Q3 unemployment claims reports.

Laura Macuga of Johnson Lambert provided an overview of the firm's plans for the 2020 financial audit, which included areas of emphasis and the expected timetable for completion. Questions and input were solicited from both staff and members of the Board.

Magali Welch and Laura Macuga of Johnson Lambert provided board training on Financial Reporting and Internal Controls. Ms. Welch and Ms. Macuga outlined key financial elements for the board to focus on and provided examples of questions to ask when reviewing VERB's financial reports. Mr. Breer noted that staff can provide the board with management's specific internal control processes for VERB if they would like to see these.

Mr. Breer reviewed the 2021 Administrative Services Contract Addendum with the board. These direct expenses and administrative costs are included in the 2021 budget.

Upon motion (Safford/Johnson), duly adopted, the board voted unanimously to approve the 2021 Administrative Services Contract Addendum and authorized the board President to sign.

Mr. Damiata reviewed the Proposed 2021 VERB Trust Budget. This budget draft was reviewed at the last meeting. The only change was that member 2021 contributions increased slightly compared to the actuary's target number. All other line items in the budget remain the same.

Upon motion (Cope/Odit), duly adopted, the board voted unanimously to approve the Proposed 2021 VERB Trust Budget as presented.

Mr. Damiata also reviewed the 2021 Proposed Meeting Schedule. An August 19 VLCT Budget Advisory Committee Meeting does not appear on this schedule but will take place the afternoon of the VERB Board meeting scheduled for the same day.

Upon motion (Safford/Cope), duly adopted, the board voted unanimously to accept the 2021 Proposed Meeting Schedule.

Under board governance, it is time for annual election of officers for 2021.

Upon motion (Odit/Johnson), duly adopted, the board voted unanimously to re-elect officers as slated for 2021 as follows:

- President, Bill Shepeluk
- Vice President, Carrie Johnson
- Secretary/Treasurer, Chris Hoyt
- Executive Secretary, Maura Carroll
- Assistant Secretary, Kelley Avery
- Assistant Treasurer, Joe Damiata

Committee members need to be assigned for 2021 as well. Current committee assignments have Bill Shepeluk and Todd Odit both serving on the Joint Investment and Budget Committees. There were no recommended changes to these assignments.

Upon motion (Cope/Ramsay), duly adopted, the board voted unanimously to approve the 2021 committee assignments.

Upon motion (Ramsay/Safford), duly adopted, the board voted unanimously to adjourn the meeting (11:50 a.m.).

Respectfully Submitted,  
Kelley Avery  
Assistant Secretary

**Board or Committee:**

VERB Board of Directors

**Board Meeting Date:**

Thursday, December 17, 2020

**Resource Category:**

- Minutes
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