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## **VERB Board of Directors Meeting Minutes 2021 09-03 (draft)**

### **VLCT EMPLOYMENT RESOURCE AND BENEFITS (VERB) TRUST, INC.**

#### **Regular Meeting of the Board of Directors**

**September 3, 2021**

**VLCT Office, Montpelier, Vermont and Zoom Meeting**

#### **Minutes**

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

**VLCT staff present:** Ted Brady, Seth Abbene, Joe Damiata, Jeremiah Breer and Kelley Avery

The meeting was called to order at 1:00 p.m.

Upon motion (Ramsay/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 June 7, 2021 meeting.

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

- VLCT has engaged Redhand Advisors to review core operating systems, including Ventiv Policy and Claims, including the UI Program in Ventiv Policy. This process is in the discovery phase.
- VLCT staff met with the Budget Committee last week, and the committee was pleased with the staff's work on the 2022 budget.
- VLCT's carrier change for the life and disability program effective July 1st went very smoothly. This creates an opportunity for new members to join the program at a guaranteed 20% savings for equal coverage. Ted will be doing a marketing outreach letter.
- Town Fair's Annual Meeting of the Membership will be an in-person hybrid meeting scheduled for September 29 at the Doubletree Hotel in South Burlington. Board members should plan to attend. The following week is scheduled for Town Fair remote training sessions and vendors.

Jeremiah Breer reviewed the unaudited financials through the second quarter of 2021. The Trust's net position is up roughly 2% from the start of the year, largely due to a decrease in liabilities. Liabilities are

down 86.3% as there was no accrual for 2020 contribution credits, and Q2 claims, including the 75% credit, are down sharply compared to Q2 last year. Total revenue is down 7.1% from this time last year due to commissions moved from VERB to VLCT on ancillary products; however, member contributions are up compared to this time last year. Operating expenses are down 33.9% and are 7.5% under budget largely due to timing and a planned decrease in the VLCT administrative agreement.

Upon motion (Safford/Ramsay), duly adopted, the board voted unanimously to accept the Q2 unaudited financials.

Kelley Avery reviewed the Q1 and Q2 unemployment claims reports. Costs for Q1, net of the 50% federal credits, came to \$120,096. Costs for Q2, net of 75% federal credits, came to \$24,857. Q1 costs amounted to a 10% reduction compared to Q4-2020, and Q2 costs were a 79% reduction compared to Q1 of this year. Both claims frequency and claims costs are beginning to normalize as claims costs for Q2, even without any federal assistance, came very close to pre-pandemic totals. Year-to-date costs total \$144,953, down from \$709,104 through Q2 last year, nearly an 80% reduction.

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

Ms. Avery provided an update regarding COVID-19 support at the state and federal levels. With the end of the state of emergency, there are no longer COVID-19 allowances in state unemployment, and work search requirements have been reinstated. Additionally, the \$300 per week federal supplemental benefits (FPUC) end this week, along with Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC). The federal government passed UI modernization measures under the American Rescue Plan which allocates \$2 billion toward state system modernization, but the VT Department of Labor does not yet know how much they will see of this funding or when it will be allocated. The new state \$25 per week supplemental unemployment benefit enacted under Act 51 is scheduled to begin in early October.

Ms. Avery and Mr. Damiata discussed 2022 renewal planning with the board. Both have met with the trust's actuary, John Hanna, and have discussed excluding member claims experience from 2020 in the funding analysis and all analyses moving forward. One of the provisions of Act 51 removes 2020 entirely from the state UI tax rate calculation. Both Mr. Damiata and Ms. Avery believe the trust should follow the same model for the funding analyses. Otherwise, the rates would be unnaturally skewed higher due to the anomalous 2020 claims activity which occurred during the peak of the pandemic. Claims are starting to normalize and the fund, thanks to federal assistance, was not depleted as substantially last year to the extent we had anticipated. The board agreed this may be the best course to the benefit of all UI Program participating members.

Upon motion (Safford/Ramsay), duly adopted, the board voted unanimously to approve excluding 2020 claims activity from UI Program trust funding analyses moving forward.

Chief Financial Officer Seth Abbene noted that signatories require updating and submitted a Banking Resolution for board approval. This resolution gives the Executive Director and CFO the authority to execute banking agreements. The resolution also changes the designated signers so that they are associated by position, rather than specific names. The new authorized signers designated on this resolution are the Executive Director, Chief Financial Officer, Deputy Chief Financial Officer, and the Director of Risk Management Services.

Upon motion (Cope/Safford) duly adopted, the board voted unanimously to approve the Banking Resolution as presented.

Mr. Damiata briefly discussed a potential name change to the Trust. As the Trust's sole responsibility now lies in unemployment insurance, staff proposes the trust be renamed back to its original name of the Unemployment Insurance Trust. This requires a bylaw change, which also requires membership approval. There is not enough time this year to make the change, but staff proposes working on this next year for an effective date of change for January 1, 2023 so that membership may vote on the change at the next annual meeting. The board agreed, and a formal vote will take place next year.

President Shepeluk appointed Charles Safford as chair of the nominating committee and also appointed Carrie Johnson and Todd Odit to the committee. The committee will meet briefly some time prior to the annual meeting to discuss the report of the nominating committee.

Upon motion (Ramsay/Cope), duly adopted, the board voted unanimously to adjourn the meeting (2:22 p.m.).

Respectfully Submitted,  
Kelley Avery  
Assistant Secretary

**Board or Committee:**

VERB Board of Directors

**Board/Committee Meeting Date:**

Friday, September 03, 2021

**Resource Category:**

- Minutes
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