MINUTES OF A REGULAR MEETING OF THE
BOARD OF DIRECTORS
VLCT EMPLOYMENT RESOURCE AND BENEFITS (VERB) TRUST, INC.
DECEMBER 3, 2015
VLCT OFFICES - MONTPELIER, VERMONT

The meeting was called to order at 9:34 a.m.

Directors present: Bill Shepeluk, Kathleen Ramsay, Carrie Johnson, Sandra Gallup, Charles Safford, Todd Odit and Joel Cope. Directors absent: Joseph Colangelo. VLCT staff present: Ken Canning, David Sichel, Jeremiah Breer, Larry Smith, Michael Gilbar and Kelley Avery. Others present: Brian Story (UVM Intern), Carolyn Rice and Kristen Sharrow (Johnson Lambert).

A board quorum was confirmed.

> **Upon motion (Ramsay/Johnson), duly adopted, the board voted unanimously to approve minutes of the October 7, 2015 regular meeting and the November 5, 2015 special meeting.**

Director Ramsay made a motion to retroactively approve the meeting agenda.

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

Carolyn Rice and Kristen Sharrow reviewed the plans for the 2015 audit process. This is the first time the Health and Unemployment Insurance programs will be audited under one entity. With few minor exceptions, no material changes are expected with respect to the audit process or procedures.

Ken Canning led the organizational update. Mr. Canning announced recent staffing changes and Aggie Elwell's recent 30th anniversary. A special VLCT Board meeting is scheduled for December 14th at the VLCT offices with Governor Peter Shumlin. The Green Mountain Care Board will be holding a public forum upstairs this afternoon regarding rate setting if any board members wish to attend. The Public Employee Benefits Study group will be releasing the results of their study tomorrow.

Jeremiah Breer reviewed the financial statements through September 30, 2015. Total revenue is up 3.6% from last year, and slightly above budget. Total operating expenses are 2.3% lower and 5.7% under budget. Claims expenses are down 14.7% and under budget by 56%. Investment income is down 107.2% from third quarter last year. Total net position is up $73,773 from 2014 year end.

> **Upon motion (Gallup/Ramsay), duly adopted, the board voted unanimously to accept the financial statements through September 30, 2015 as presented.**

Larry Smith reviewed the 2016 health insurance renewal. Eight groups with 51 - 100 employees are moving to the Exchange for 2016. All have chosen Blue Cross and Blue Shield as their carrier. So far this process is going smoothly. Three new groups have signed up for life and disability, three groups for dental and one for vision. All over 50 groups have been contacted regarding the new Health Insurance Advisory Services program, and three of those groups have already signed up for services.

Kelley Avery reviewed the unemployment claims reports through September 30, 2015. The data charts and analysis narrative have been reformatted under a new layout with the assistance of Brian Story, our UVM intern. Third quarter claims decreased 15% compared to Q3 2014 and

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decreased 45% compared to the second quarter of this year. Claims frequency is also down. Year to date claims are 15% lower than this same time last year.

The board is required to elect officers for 2016. The board reviewed the current slate of officers. One correction was noted: Director Carrie Johnson was listed as Secretary and should be listed as Secretary/Treasurer.

> **Upon motion (Cope/Ramsay), duly adopted, the board voted unanimously to accept the current slate of officers as presented for 2016.**

The board reviewed the VLCT Administrative Support Services Agreement Addendum for 2016. Staff provided an overview of the changes in costs from the prior year.

> **Upon motion (Cope/Johnson), duly adopted, the board voted unanimously to accept the 2016 Addendum to the VLCT Administrative Support Service Agreement and authorized the board President to sign.**

With the implementation of the new VLCT Human Resources Program, two memorandums of understanding are now required: one between VERB and the Municipal Assistance Center (MAC) and one between PACIF and VERB. These are necessary as the VERB Trust is the governing body overseeing the program, MAC will administer the program and PACIF and VLCT will partially fund the program.

> **Upon motion (Safford/Cope), duly adopted, the board voted unanimously accept the Memorandum of Understanding between PACIF and VERB for Human Resources Consulting Services and authorized Risk Management Services Director, Ken Canning to sign.**

> **Upon motion (Safford/Johnson), duly adopted, the board voted unanimously to accept the Memorandum of Understanding between VERB and the VLCT Municipal Assistance Center for Human Resources Consulting Services and authorized the board President to sign.**

Ken Canning reviewed the proposed budget for 2016. The most notable new expense item in the budget is the cost for the new Human Resources (HR) Program. These costs will be offset in part by payments from PACIF and VLCT. The budget projects a reduction in net position of $537,773, which includes unemployment contribution credits to members, higher costs due to the HR Program and a loss in insurance commissions.

> **Upon motion (Johnson/Ramsay), duly adopted, the board voted unanimously to approve the 2016 VERB Trust Proposed Budget as presented.**

Ken Canning reported staff is still working with Hickok and Boardman to explore new Accident and Critical Illness coverage options. Presentations from possible alternative providers are not yet available.

Kelley Avery provided an overview of the new voluntary dental coverage now available through Delta Dental. This coverage would provide members with an alternative to our group dental for their employees that are no longer eligible, such as retirees, or as an alternative to COBRA for former employees. It would also provide an alternative to groups who would like to provide their employees access to dental coverage without having to pay for it, since the voluntary plans are 100% employee paid. Our pool plans have a restriction that all employees must be enrolled and that the employer must pay 100% of the single person premiums. Staff is requesting board approval to move forward with this product offering to members.

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Upon motion (Odit/Safford), duly adopted, the board voted unanimously to approve offering Delta Dental voluntary dental insurance through the VERB Trust.

The UVM internship is funded through the end of December of this year. The board will need to approve continued funding for the internship to continue into 2016. The board recognized the value of the internship program but agreed they did not wish to continue funding the program.

The board reviewed the proposed 2016 meeting schedule.

Upon motion (Ramsay/Odit), duly adopted, the board voted unanimously to approve the proposed 2016 meeting schedule.

There was no other business

Upon motion (Safford/Odit), duly adopted, the board voted unanimously to adjourn the meeting (12:05 p.m.).

Respectfully Submitted,

David Sichel
Assistant Secretary

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