

**MINUTES OF A REGULAR MEETING OF THE  
VLCT EMPLOYMENT RESOURCE AND BENEFITS (VERB) TRUST, INC.  
BOARD OF DIRECTORS  
(held concurrently with the VLCT Property & Casualty Intermunicipal Fund Trust Board)  
VLCT OFFICE - MONTPELIER, VT and VIA ZOOM  
JUNE 7, 2024**

Directors present: Charles Safford, Kathleen Ramsay, Bryan Young, Todd Odit (remote) and Judy Frazier (remote)

VLCT staff present: Joe Damiata, Seth Abbene and Kelley Avery

Others present: Magali Welch and Taylor Kacur (Johnson Lambert)

The meeting was called to order at 9:30 a.m.

The PACIF Board conducted their portion of this meeting first and adjourned at 12:22 p.m. The VERB Board broke for lunch at 12:22 p.m. and reconvened their meeting at 12:57 p.m.

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

**Upon motion (Young/Ramsay), duly adopted, the board voted unanimously to approve the minutes of the December 12, 2023 meeting.**

Seth Abbene introduced the auditors, Magali Welch and Taylor Kacur, from Johnson Lambert, who presented the results of the 2023 VERB Financial Audit. Ms. Welch reported this was an unmodified, clean audit for 2023 with no material weaknesses or adjustments. Taylor Kacur provided a brief overview of the testing process. Ms. Kacur pointed out that this year there were no delays with the Vermont Department of Labor, and the audit progressed rather smoothly.

**Upon motion (Young/Ramsay), duly adopted, the board voted unanimously to accept the 2023 VERB Trust Financial Audit as presented.**

Joe Damiata's organizational update was provided during the PACIF Board portion of this meeting, so this item was not reviewed again.

Kelley Avery reviewed the Q1 unemployment claim reports. Claims for Q1 totaled \$100,431, a substantial increase from Q4-2023, but only a .9% increase compared to Q1 of last year. Claims frequency was down slightly compared to Q4-2023 quarter and down nearly 29% compared to Q1 2023. Claims are starting to decline in the second quarter. Ms. Avery also briefly reviewed the 2023 Equifax Annual Review which shows various stats for the Trust and how it compares to other peer UI league pools with respect to compliance, win rates and protest rates. There were no

fraudulent claims reported for 2023. Ms. Avery also noted there have been four new UI Trust members added for 2024, with another quote request for membership still pending.

**Upon motion (Odit/Ramsay), duly adopted, the board voted unanimously to accept the Q1 Claims Report and the 2023 Equifax Annual Review as presented.**

Seth Abbene presented the first quarter unaudited financials. Net position has increased 1.9% from year-end 2023 due to a moderate operating surplus combined with investment gains. Total revenue is down 5.2% compared to Q1 of 2023 largely due to the decrease in member rates. Operating expenses are up 2% compared to Q1 of last year but are still 1.6% under budget. Claims through Q1 are up slightly compared to this time last year and year-to-date investment income is up with an overall return of 1.81%, which slightly beat the benchmark.

**Upon motion (Odit/Frazier), the board voted unanimously to approve the first quarter financial report as presented.**

The Joint Investment Committee Report was provided in the board packets but not reviewed at the meeting. This same report was reviewed at the April PACIF Board meeting, for which most of the VERB Trust Board members were present at the time.

**Upon motion (Odit/Ramsay), duly adopted, the board voted unanimously to accept the Joint Investment Committee Report.**

Mr. Abbene reviewed the local investing recommendations from staff, which were discussed during the PACIF Board portion of this joint meeting. Staff are requesting the board's approval for investing \$250,000 from net position with the Vermont Community Loan Fund (VCLF) for a one-year term at a 3.5% rate of return to help build affordable housing in Vermont. Staff are also seeking Board approval of revisions to VERB's Investment Policy to allow for this type of investment. Director Odit questioned whether there will be a way to determine what income levels will be served with the funds invested toward this new affordable housing. Mr. Abbene will work with VCLF to see if any reporting can be provided, but the metrics may be difficult to determine since the funds will be pooled. Mr. Abbene will report back to the board after further discussions with VCLF.

**Upon motion (Frazier/Ramsay), duly adopted, the board voted unanimously to approve a \$250,000 allocation from net position toward a pilot investment with the Vermont Community Loan Fund for a one-year term at 3.5% and also revisions to the VERB Trust Investment Policy as presented.**

President Safford appointed the Nominating Committee to report to the Annual Meeting of the membership in October. The committee normally consists of board members whose terms will not be expiring at the end of the year. The committee will be comprised of Bryan Young and Judy Frazier.

Kelley Avery provided a brief legislative update. Unlike last year, no legislation impacting unemployment was passed in 2024. The legislature had discussed H.55, which would have

enforced stricter penalties for UI fraud and allowed for the Commissioner to waive repayment of any overpayments of benefits during times of a state emergency (such as flooding or the pandemic), but the bill was not passed by the Senate in time for the end of the session.

With regard to the PACIF and VERB consolidation discussion, this item was discussed during the joint Executive Session held during the PACIF Board portion of this meeting.

There was no other business.

**Upon motion (Young/Odit), duly adopted, the board voted unanimously to adjourn the meeting (1:47 p.m.).**

Respectfully Submitted,

A handwritten signature in black ink that reads "Kelley Avery". The signature is written in a cursive, flowing style with a long horizontal stroke at the end of the name.

Kelley Avery  
Assistant Secretary