

**MINUTES OF A REGULAR MEETING OF THE
BOARD OF DIRECTORS
VLCT EMPLOYMENT RESOURCE AND BENEFITS (VERB) TRUST, INC.
(held concurrently with the VLCT Property & Casualty Intermunicipal Fund Board)
HYBRID MEETING - VLCT OFFICES, MONTPELER, VT AND ZOOM
DECEMBER 6, 2024**

Directors present: Charles Safford, Bryan Young, Judy Frazier (remote) and Kelly Murphy

VLCT staff present: Joe Damiata, Seth Abbene, Ted Brady, Kelley Avery and Phil Woodward

The meeting was called to order at 10:00 a.m.

The PACIF Board conducted their portion of this meeting first and adjourned at 11:56 a.m. The VERB Board reconvened their meeting after lunch at 12:33 p.m.

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

Upon motion (Young/Murphy), duly adopted, the board voted unanimously to approve the minutes of the October 28, 2024 meeting.

Seth Abbene presented the third quarter unaudited financials. Net position has increased 9.9% from year-end 2023 to \$4,608,673. This was a result of an operating gain of \$105,066 combined with investment gains of \$311,719. Total revenue is down 5% compared to this time last year largely due to the decrease in rates for 2024. Total operating expenses (excluding claims) are 2.1% higher than last year but 1.1% under budget, largely due to timing of expenses. Claim costs were up 6.4% compared to this time last year, but 32.6% under budget and the primary reason for the operating gain.

Upon motion (Young/Frazier), duly adopted, the board voted unanimously to accept the third quarter financial report as presented.

Kelley Avery briefly reviewed the Q3 unemployment claim reports and there were no questions from board members.

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

Mr. Abbene reviewed the 2024 Audit Engagement Letter from Johnson Lambert. The firm is proposing a 9.4% increase in costs totaling \$23,000 plus a new industry standard 3.5% service fee for their services next year. Cost increases are largely due to inflation which has been seen across the industry. Staff intend to go out to bid for audit services in 2025, but are asking for approval of the engagement for the 2024 audit services.

Upon motion (Young/Murphy), duly adopted, the board voted unanimously to approve the 2024 Engagement Letter.

Mr. Abbene reviewed the 2025 Addendum to the VLCT Administrative Service Agreement. The cost for 2025 is increasing by 3.7% to \$213,213 largely due to staff salary and benefit increases and some slight changes to staff allocation. Staff are looking for approval of the Addendum and authorization for the Board President to sign it.

Upon motion (Odit/Frazier), duly adopted, the board voted unanimously to approve the 2025 Addendum to the VLCT Administrative Service Agreement and authorized the Board President to sign.

Ted Brady reviewed the VLCT Equity Assessment Request and Memorandum of Agreement (MOA) between VLCT and VERB. VLCT is requesting \$25,000 from VERB to help fund equity work to benefit VLCT members. These funds would come out of net position and would not impact member rates. The funding would be used in an effort to achieve goals set forth by the JDEIB Workgroup to assist VLCT members with DEI work endeavors in their respective workplaces and may entail hiring a consultant to assist our members in these endeavors. Staff are requesting the board approve this amount for the funding and authorize the Board President to sign the agreement.

Upon motion (Murphy/Frazier), duly adopted, the board voted unanimously to approve providing \$25,000 to VLCT to fund equity work and to authorize the Board President to sign the MOA between VLCT and VERB.

Joe Damiata reviewed the VERB Proposed Budget for 2025. The budget was presented at the October meeting and is largely unchanged. General and Administrative (G&A) expenses are up 45.4% or \$135,378 from the 2024 budget. This is largely due to a \$100,000 allocation VLCT is requesting to retain a consultant to explore potential more affordable health insurance options for members. Also included is the \$25,000 to fund the equity work, as approved in the above item (to which VLCT and PACIF are also contributing). These two items were not built into the rates and will be funded out of net position. Revenues are down slightly by \$3,694 or .5% due to the approved 12% average rate decrease for 2025. Overall, the budget is up \$123,436 or 17.4% in comparison to the 2024 adopted budget.

Upon motion (Young/Murphy), duly adopted, the board voted unanimously to approve the 2025 Proposed VERB Budget as presented.

Under board governance, Joe Damiata noted that board members will soon receive Conflict of Interest forms from Jessi Hill via DocuSign. Please sign and return these forms in a timely manner.

In terms of the election of officers for 2025, the board voted to move the slate with the exception of making Seth Abbene Assistant Secretary due to Joe Damiata's upcoming departure.

Upon motion (Young/Murphy), duly adopted, the board voted unanimously to appoint VERB Board and staff officers as follows for 2025: Charles Safford, President; Bryan Young, Vice President; Todd Odit, Secretary/Treasurer; Ted

Brady, Executive Secretary; Kelley Avery, Assistant Secretary; Seth Abbene, Assistant Treasurer.

President Safford noted present committee assignments will remain as is for 2025 with no changes.

Mr. Damiata presented the list of Proposed 2025 Board and Committee Meeting dates. Staff propose to hold three board meeting dates in addition to two Joint Investment Committee meetings and the VLCT Budget Advisory Committee meeting. Kelley Avery noted the October trust board meeting for next year is scheduled to take place the same day as the Joint Annual Meeting of the membership on location at Town Fair in Burlington.

Upon motion (Murphy/Frazier), duly adopted, the board voted unanimously to approve the 2025 Proposed Meeting Schedule.

President Safford expressed his appreciation to Joe Damiata for his many years of service to the board and to VLCT and wished him success in his future endeavors.

There was no other business.

Upon motion (Young/Murphy), duly adopted, the board voted unanimously to adjourn the meeting (12:49 p.m.).

Respectfully Submitted,

Kelley Avery
Assistant Secretary

Link to Meeting Recording:

https://us06web.zoom.us/rec/share/m2qlq9q9jQz6FNzKaSL4xrr0OuwgO7CnnnLYHfCaBE7_njYho_M8BCvOobtR1Mri.xkdguqV-nAuqioY2