

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,  
INC. BOARD OF DIRECTORS SPECIAL MEETING  
VIA ZOOM  
MONDAY, JULY 17, 2023**

Directors Present: Jackie Higgins, Aaron Frank, Bruce Urie, Dave Atherton, Jared Cadwell, Rob Gaiotti, Judy Frazier, Kathleen Ramsay, Patrick Moreland, Bryan Young and Charles Safford

Staff Present: Joe Damiata, Fred Satink, Ted Brady, Phil Woodward, Kelly Kindestin and Kelley Avery

President Higgins called the meeting to order at 1:32 p.m.

**Upon motion (Atherton/Moreland), duly adopted, the board voted unanimously to approve the meeting agenda.**

**Upon motion (Cadwell/Frazier), duly adopted, the board voted unanimously to approve the minutes of the June 2, 2023 meeting.**

**Upon motion (Cadwell/Frazier), duly adopted, the board voted unanimously to enter Executive Session (1:33 p.m.) pursuant to 1 V.S.A. §313(a)(1)(F), having unanimously found that premature general public knowledge concerning legal advice would place the Fund at a substantial disadvantage, and followed by motion to enter into executive session, pursuant to 1 V.S.A. §313(a)(1)(F), for the purpose of confidential attorney-client communications, professional legal services and counsel.**

**Upon motion (Moreland/Urie), duly adopted, the board voted unanimously to return to Regular Session (1:58 p.m.).**

Staff discussed PACIF's flood zone coverage limits that are much lower than they were during Tropical Storm Irene. Staff have concerns about the ability to disburse funds quickly, as the potential exists for proration of member payments if the all-member aggregate of \$5 million of property losses within a flood zone is reached. Staff also shared that there may not be enough insurance limit to go around and that members may need help getting funds outside of insurance to rebuild while waiting for FEMA reimbursement. It was also noted that it is too early to know or estimate the full extent of property losses from the flooding.

Joe Damiata and Ted Brady reviewed three potential options, outlined in the board memo, for possibly using a portion of PACIF's net position to help members clean up and rebuild after the recent catastrophic flooding events. The three options discussed were as follows:

1. Raising current PACIF coverage limits for impacted members using net position. Staff and board members expressed concern that this would not honor the written policy and unnecessarily expend member equity.
2. Using \$8 - \$10 million of net position to fund low or zero interest direct loans from PACIF to members. Members would then pay PACIF back once they receive their FEMA reimbursements. This option also is not ideal since it may take a substantial amount of time for members to pay the funds back due to the timing of FEMA reimbursements and

the amount of capital PACIF can make available may not meet the need. There would also need to be more research done to ensure this option wouldn't disqualify members from receiving FEMA reimbursements.

3. Using up to \$3 million of net position to buy down servicing fees of a state funded loan program so that members could potentially get their state loans at a zero or near to zero interest rate. Discussion with the state and other stakeholders are in process. This is the favored option.

After extensive discussion, board members agreed they wished to assist impacted members in getting access to funding as swiftly as possible to help in their recovery efforts by employing a version of Option #3 that seeks to use net position to buy down bank servicing fees, in support of the low or no interest State of Vermont loan program, while preserving FEMA eligibility.

**Upon motion (Frank/Moreland), duly adopted, the board voted unanimously to approve allocating up to \$3 million in net position to buy down loan servicing fees for PACIF members (to the extent practicable) that participate in a state funded lending program to assist in disaster recovery and authorized staff to continue to work with the state in developing this program.**

There was no other business.

**Upon motion (Cadwell/Frazier) duly adopted, the board voted unanimously to adjourn the meeting (2:35 p.m.).**

Respectfully submitted,



Fred Satink,  
Assistant Secretary