

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,
INC. and VLCT EMPLOYMENT RESOURCE AND BENEFITS TRUST, INC. BOARD
OF DIRECTORS JOINT MEETING
VLCT OFFICE, MONTPELIER, VT and VIA ZOOM
FRIDAY, APRIL 3, 2026**

Directors Present: Aaron Frank (P), Bryan Young (P/V), Todd Odit (P/V), Erik Wells (P-remote), Karen Barber (P – remote), Charles Safford (P/V), Rob Gaiotti (P- remote), Bruce Urie (P/V – remote) and Nicolas Storellicastro (P/V)

Staff Present: Phil Latvis, Seth Abbene, Ted Brady, Phil Woodward, Fred Satink and Kelley Avery

Guests: Russell Young (Primmer, Piper, Eggleston & Cramer PC), Jillian Mulcahey and Emily Mann (Johnson Lambert) and James Turner and Isabella Pan (Guy Carpenter - remote)

Presidents Frank and Safford called the joint meeting to order at 9:02 a.m. and asked for a motion to approve the consent agenda.

Upon motion (Storellicastro/Young), duly adopted, the board voted unanimously to approve the consent agenda as presented.

President Frank asked for a motion to enter into Executive Session.

Nicolas Storellicastro moved that the Boards find that premature general public knowledge of contract negotiations between PACIF, VERB and VLCT regarding the Administrative Services Agreement would clearly place PACIF and VERB at a substantial disadvantage and further moved that the PACIF and VERB Boards go into executive session to discuss contractual negotiations between VLCT and PACIF and VERB to include the General Counsel, Corporate Counsel, Executive Secretary and Assistant Treasurer. **The motions were seconded by Todd Odit, all approved and both boards entered into executive session (9:03 a.m.).**

Phil Latvis, Seth Abbene, Kelley Avery and Director Barber left the meeting.

Phil Latvis was invited to join the Executive Session at 10:24 a.m.

At 10:47 a.m. the board returned to open meeting. VLCT staff and Director Barber rejoined the meeting at this time. Johnson Lambert representatives Jillian Mulcahey and Emily Mann also joined the meeting at this time.

Jillian Mulcahey and Emily Mann of Johnson Lambert reviewed the results of the 2025 PACIF Audit. The firm issued a clean audit with no audit adjustments or material weaknesses in controls identified. Audited financials show PACIF's net position increased by 15% in 2025, primarily due to increased contributions, investment gains and favorable claims development from prior fund years.

Seth Abbene noted a supplemental document showing the 2025 budget schedule was also provided and included in the board packet at the request of the PACIF Board President in order to further clarify and lend to VLCT cost transparency in the audit. Mr. Abbene noted he will

work with Johnson Lambert to ensure this information is included in the final version of future audits.

Isabella Pang and James Turner of Guy Carpenter joined the meeting remotely at 11:10 a.m.

Ms. Pang prefaced the cyber coverage educational session with some general information regarding cyber market conditions. Although there was a great deal of volatility in the market in prior years, it has now stabilized somewhat. James Turner of Guy Carpenter reviewed the presentation on Public Entity Cyber coverage. This presentation provided an overview of the various types of cyber coverage, loss scenarios, pricing, coverage terms and underwriting requirements. In addition, information was provided comparing PACIF's coverage to that of pool peer groups, including various retention levels and limits, and also the variety of risk management and loss control services offered through cyber carriers. Lastly, the presentation detailed a summary of the 2026 PACIF cyber renewal. Ms. Pang and Mr. Carpenter assured the board they will work with staff to review all options for the upcoming renewal to ensure the most cost-effective coverage for members at the appropriate retention levels and limits.

Several board members agreed having cyber risk management and loss control services available to PACIF members, such as employee training tools and network monitoring, would be very beneficial and urged staff to explore these potential services with current and potential future cyber vendors. Phil Latvis noted that all of these elements would be evaluated and taken into account at renewal. The board also questioned whether PACIF's current cyber coverage was sufficient or should be changed, and Mr. Latvis noted coverage level decisions would also be weighed upon renewal as well.

Seth Abbene reminded the board they had not yet approved the 2025 PACIF Audit.

Upon motion (Safford/Storellicastro), duly adopted, the board voted unanimously to accept the 2025 PACIF Audit as presented.

Phil Latvis provided a brief organizational update to the board, which included the following information:

- Mr. Latvis will be presenting at the Selectboard Essentials training which will be held in Stowe on Saturday, April 11th.
- Our current worker's compensation medical bills vendor, Optum, gave staff 90-days notice last month that they will no longer be providing this service to clients and they are leaving the market. Staff reached out to VSBIT (the Vermont School Boards Insurance Trust) to find out who they are using and decided to contract with their vendor, known as Reny, once Optum service ends and until a full RFP can be conducted later this year on medical billing service providers.
- Staff had hoped to partner with the state's Agency of Digital Services (ADS) on the cyber security grant awarded by the federal government to municipalities, but progress has been slow. The goal now is to have Loss Control staff partner with ADS to do quick member evaluations and, with the members' approval, work with ADS to disseminate those funds to groups with the most intensive needs. Staff will be working with ADS to develop this potential program.

- There has been great progress on Origami policy level billing. That work should be wrapping up soon and then the Claims system rollout will be the next priority.

Ted Brady provided a brief VLCT organizational update to the board and noted the following:

- VLCT will be starting a “time study” on 14 VLCT staff members that split their work time between PACIF, VERB and VLCT. This will be a one-month study starting next week, and the results should be available by mid-May. This data should help better inform the contract costs between the three entities.
- Staff is currently working on the new member survey which is conducted every three years. Mr. Brady is considering having the PACIF and VERB boards review these survey questions first before distributing them to the membership to help better inform the survey results.
- Staff and the Building Committee are discussing a lease extension on the current City Center space with the landlord as the lease expires at the end of this year. Mr. Brady noted he is hesitant to sign an extension until we can get assurances the parking garage and all of the current roof leaks into our space will be fixed. Staff is also looking into other potential space alternatives.
- The VLCT Board is waiting for the PACIF Board’s guidance regarding our current broker agreement with Acrisure and how to proceed. Board President Frank noted the Board will be following up on that issue soon.

Phil Latvis updated the board on a bill which recently passed in the House on dam safety and emergency operation procedures. The bill has not yet passed the Senate. Mr. Latvis noted he will also provide a written update to the board at a future date with a more comprehensive overview of bill activity.

Director Storellicastro inquired if the Selectboard training might be moved to a later month, perhaps May, as the Barre City selectboard members cannot make April due to voting scheduled for the month. Ted Brady noted staff are looking into potential later dates for future years for this training.

In other business, **Nicolas Storellicastro moved** that, having reviewed the proposed Fee and Service Commitment between VLCT and PACIF, which was signed on March 30, 2026 by Ted Brady on behalf of VLCT, that the PACIF Board approve the Fee and Service Commitment on behalf of PACIF and authorize the PACIF Board President, Aaron Frank, to sign on behalf of PACIF. **The motion was seconded by Charles Safford and unanimously approved by the Board with the exception of Director Barber, who abstained.**

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

Respectfully submitted,

Kelley Avery
Assistant Secretary
Link to Meeting Recording [here](#)