

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,
INC. BOARD OF DIRECTORS MEETING
VLCT OFFICE - MONTPELIER, VERMONT
AND VIA ZOOM
FRIDAY, FEBRUARY 10, 2023**

Directors Present: Jackie Higgins, Aaron Frank, Bruce Urie, Jared Cadwell, Rob Gaiotti, Judy Frazier, Kathleen Ramsay, Patrick Moreland (remote), Bryan Young (remote), Erik Wells, Todd Odit and Charles Safford

Staff Present: Joe Damiata, Fred Satink, Phil Woodward, Ted Brady, Seth Abbene, Kelly Knotek, Vicky Abare, Sherry Allen, Jeff LaBossiere, Larry Smith, Wade Masure, Lia Gerrish, Jill Muhr, Trevor Whipple, Jill George, Kelly Kindestin and Kelley Avery

Other Present: Steve DiCenso (Milliman – remote)

President Higgins called the meeting to order at 10:29 a.m. and noted that an Executive Session would be taking place at the end the meeting.

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

Upon motion (Cadwell/Urie) duly adopted, the board voted unanimously to approve the minutes of the January 20, 2023 meeting.

Joe Damiata provided a brief organizational update, which included the following items:

- Staff is considering Enterprise Risk Management (ERM) training for the board from Johnson Lambert at the next meeting.
- Underwriting staff will be starting on the worker’s compensation audits soon.
- Staff is working on 2023 updates to the Business Plan and internal marketing plans.
- The Municipal Assistance Center is increasing 2023 PACIF member costs for in-person MAC trainings from \$10 to \$25 due to an increase in fees charged by conference facilities.
- Staff is currently working on a contract with the new RMIS system vendor, and the draft contract is under review with our IT consultants.
- The new AMS system rollout has been pushed back a month to the end of March.
- Mr. Damiata reminded the board of 2023 conference opportunities. So far two PACIF board members plan to attend the NLC RISC Trustees Conference in May, Judy Frazier and Kathleen Ramsay, so one more board member may attend.
- PACIF achieved renewed AGRiP Recognition status, thanks to the hard work of Fred Satink and Kelly Knotek completing the questionnaire.

Jill George presented the Q4-2022 PACIF Claims Report. Worker’s compensation claims frequency was unusually low for the fourth quarter compared to the averages, while a few large claims drove up the cost average. Property and liability claim frequency was also down, while the cost average was down compared to the Q4 average but slightly higher compared to the all- quarter average.

Seth Abbene provided a brief summary of preliminary unaudited 2022 year-end financials and mentioned that some numbers may change slightly as additional figures come in and get booked. Net position will decrease at year-end due to unrealized losses in the investment portfolio, partially offset by positive operating results.

Upon motion (Urie/Frazier) duly adopted, the board voted unanimously to accept the Q4-2022 claims report.

Steve DiCenso of Milliman presented a review of the Actuarial Analysis and Reserve Adequacy as of December 31, 2022. Milliman's central reserve estimate for 2023 is at \$39,262,298, a modest increase from the 2022 estimate of \$39,116,805.

Upon motion (Moreland/Frazier) duly adopted, the board voted unanimously to accept the Actuarial Analysis and Reserve Adequacy as of 12/31/22 with carried reserves at the central estimate of \$39,262,298.

Joe Damiata mentioned NLC Mutual has an actuary which provides tutorials and trainings on actuarial terms at no cost if this is something the board might be interested in for one of its future meetings. President Higgins affirmed this would be a welcome training topic for the future.

As part of today's board training, staff from the Loss Control and Underwriting Divisions attended and provided an overview of their respective operations. Division managers and staff introduced themselves and described their respective roles and responsibilities, and the department heads also detailed the services, programs and trainings that they all provide to VLCT PACIF members.

Joe Damiata provided a brief update on activity in the legislature. There are a few bills staff is keeping an eye on related to worker's compensation and law enforcement which may impact PACIF. VLCT Advocacy and PACF's General Counsel have also been working on a bill regarding law enforcement training and education. Staff will inform the board at its next meeting regarding any legislative developments.

President Higgins announced the board committee appointments and changes for 2023. Kathleen Ramsay will replace Aaron Frank on the Local Investment Subcommittee, Aaron Frank will fill the open position on the Strategic Planning Committee, Charles Safford will serve the open position on the Law Enforcement Risk Management Committee and President Higgins will serve in the open position on the VLCT Budget Advisory Committee.

The board was advised to enter into Executive Session to consult with PACIF General Counsel at staff on pending litigation.

Upon motion (Urie/Cadwell) duly adopted, the board voted unanimously to enter into Executive Session (11:53 a.m.).

The board returned to General Session at 12:01 p.m.

Upon motion (Frazier/Wells) duly adopted, the board voted unanimously to adjourn the meeting (12:02 p.m.).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fred Satink". The signature is written in a cursive style with a large initial "F" and "S".

Fred Satink,
Assistant Secretary