

**MINUTES OF THE JOINT ANNUAL MEETING OF THE MEMBERSHIP
VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND
VLCT EMPLOYMENT RESOURCE AND BENEFITS TRUST, INC.
SEPTEMBER 26, 2023
HILTON DOUBLETREE HOTEL – SOUTH BURLINGTON, VERMONT**

PACIF Directors Present: Jackie Higgins, David Atherton, Jared Cadwell, Bruce Urie, Rob Gaiotti, Patrick Moreland, Bryan Young, Erik Wells, Judy Frazier, Todd Odit, Charles Safford and Kathleen Ramsay

VERB Directors Present: Charles Safford, Todd Odit, Bryan Young, Jared Cadwell and Kathleen Ramsay

A quorum was confirmed for both the VERB and PACIF Trust organizations by participant count.

Executive Director Ted Brady welcomed everyone to the meeting, thanked the Town Meeting sponsor, and gave some introductory remarks. Mr. Brady then turned the meeting over to VERB Trust Board President Charles Safford.

President Safford called the VERB Trust Annual Meeting to order at 1:12 p.m.

Upon motion (Murphy/Bergmeier), duly adopted, the agenda was unanimously approved by the membership.

President Safford asked for a motion to approve the 2022 VERB Annual Meeting Minutes.

Upon motion (Major/Ingrassia), duly adopted, the minutes of the VERB 2022 Annual Meeting were unanimously approved by the membership.

VLCT Chief Financial Officer Seth Abbene reviewed a summary of the 2022 VERB Trust audit. The auditors issued an unqualified or “clean” 2022 audit with no material weaknesses in internal controls noted and no adjustments. Net position decreased 6.1% to \$3.8 million largely due to unrealized investment losses and contribution credits of \$100,000 returned to members. Contributions were down .9% due to a slight reduction in member rates. Claims for 2022 amounted to \$228,336, which was essentially flat compared to the 2021 claims costs of \$227,387 (net of federal credits). Investment income was down \$368,804, and general and administrative expenses increased 5.3% due to modest increases in the VLCT administrative services contract.

Upon motion (Johnson/Shippee), duly adopted, the report of the 2022 VERB Trust audit was unanimously accepted by the membership.

President Safford reviewed a brief history of the VERB Trust, beginning as the Unemployment Insurance Trust in 1978, then merging with the Health Trust in 2015 and returning in 2021 to solely serving as an Unemployment Insurance Trust. He also introduced the other members of the VERB Board. Rates increased slightly for 2023 by 6.1% due to the state’s decrease in the taxable wage base, which always has an opposite impact on the rates. Unemployment claims continue to normalize and have returned to pre-pandemic levels. Despite some volatility in recent years due to pandemic related claims, rates are expected to remain stable moving forward, although the rates for 2024 have not yet been determined. The board is scheduled to meet next week with the actuary to start the rate setting process. President Safford also noted recent board consolidation efforts resulted in all of the VERB Board members also serving on the PACIF Board. VLCT staff intend to further these efforts in the coming year by exploring the potential of a single board overseeing both Trusts, and may come to the membership at the next annual meeting to seek approval on this proposed change. President Safford also made note of key legislation passed this year, ACT 76,

which requires all employers, including municipal entities, to participate in unemployment insurance and no longer exempts employers with four or fewer employees.

Todd Odit presented the Report of the Nominating Committee and slate of officers.

Upon motion (Atherton/Johnson), duly adopted, the members voted unanimously to accept the Report of the Nominating Committee and the slate of officers as presented with a renewed three-year term for director Bryan Young.

President Safford called for a motion to adjourn.

Upon motion (Goulette/Bergmeier) the members voted unanimously to adjourn the VERB Trust annual meeting at 1:28 p.m.

President Safford introduced PACIF Trust Board President Jackie Higgins.

President Higgins called the PACIF annual meeting to order at 1:29 p.m.

Upon motion (Tucker/Frazier), duly adopted, the agenda was unanimously approved by the membership.

President Higgins asked for a motion to approve the 2022 PACIF Annual Meeting Minutes.

Upon motion (Tucker/Atherton), duly adopted, the minutes of the PACIF 2022 Annual Meeting were unanimously approved by the membership.

Seth Abbene reviewed a summary of the 2022 PACIF audit. The auditors issued an unqualified or “clean” 2022 audit with no material weaknesses in internal controls noted and no adjustments. Net position decreased 11.5% to \$63.1 million due to unrealized losses in the investment portfolio. Contributions were up 1.3% to \$25.2 million due to the combined effects of a slight rate decrease coupled with increased exposures, such as payroll and property values. Contribution credits of \$1.5 million were returned to members. Claims were down 20.9% to \$8.5 million due to favorable development, and the loss ratio was 43% with a combined ratio of 77%, well within the expected range. Despite investment losses, the Trust maintains a strong financial position.

Upon motion (Lawless/Bergmeier), duly adopted, the report of the 2022 PACIF Trust audit was unanimously accepted by the membership.

President Higgins introduced herself and the other members of the PACIF Board. President Higgins echoed President Safford’s remarks regarding board consolidation efforts. She went on to thank VLCT staff and PACIF members and noted key accomplishments for 2023. She went on to note that 2023 has also been extremely challenging due to the catastrophic flooding, and mentioned that these types of events, which have unfortunately grown more frequent, have made it increasingly difficult to get adequate flood reinsurance for members. Looking ahead to 2024, rates are not yet available, but there will likely be a modest increase due to increased exposures and losses, yet some return of net position in the form of contribution credits is still anticipated.

Risk Management Services Director, Joe Damiata, provided a staff update and highlighted all of the services and programs that PACIF provides including law enforcement consulting services, HR consulting services and the EPL (Employment Practices Liability) Referral Program along with long standing excellent loss control, and claims services. Mr. Damiata also mentioned that staff is working to implement a new underwriting and claims system, expected to go live in 2025, which will work more efficiently and easily for staff and members. Cybersecurity coverage remains a challenge to secure for members, but staff anticipates it will continue as is at least through 2024.

Director Judy Frazier presented the Report of the Nominating Committee and slate of officers.

Upon motion (Hogan/Lawless), duly adopted, the members voted unanimously to accept the Report of the Nominating Committee and the slate of officers as presented with renewed three-year terms for Aaron Frank, Charles Safford, Bruce Urie and Erik Wells.

President Higgins called for a motion to adjourn.

Upon motion (Ingrassia/Frazier) the members voted unanimously to adjourn the PACIF Trust annual meeting at 1:56 p.m.

Respectfully submitted,

Kelley Avery
Assistant Secretary (VERB)

Fred Satink
Assistant Secretary (PACIF)

Subject to Member Approval