

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,
INC. BOARD OF DIRECTORS MEETING
VLCT OFFICE – MONTPELIER, VERMONT and VIA ZOOM
FRIDAY, APRIL 4, 2025**

Directors Present: Aaron Frank, Jackie Higgins (remote), Bruce Urie (remote – 11:20 a.m.), Rob Gaiotti (remote), Erik Wells, Bryan Young, Nicolas Storrellicastro, Kelly Murphy (remote) and Todd Odit

Staff Present: Fred Satink, Ted Brady, Seth Abbene, Kelley Avery, Peggy Gates, Kelly Knotek, Mike Musas (remote) and Kelly Kindestin

Other present: Carrie Rice and Emily Mann (Johnson Lambert) and Dave Atherton

President Frank called the meeting to order at 10:00 a.m.

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

Upon motion (Wells/Young), duly adopted, the board voted unanimously to approve the minutes of the February 7, 2025 board meeting.

Under board governance, Dave Atherton's former director position is open since he resigned when he left his position as Pittsford Town Manager. Mr. Atherton also served as Secretary/Treasurer to the board at the time. Mr. Atherton has since been appointed as the Killington Town Manager, so he is once again eligible to serve on the board, and he has expressed his willingness to resume his position. In addition, Patrick Moreland's director position is now vacant as he recently left his role in Brattleboro and is no longer eligible. Todd Odit is the longest tenured alternate, so that alternate position would traditionally move into the newly vacated position at the board's discretion.

Upon motion (Wells/Young), duly adopted, the board voted unanimously to re-appoint Dave Atherton as a full director to the board.

Upon motion (Wells/Young), duly adopted, the board voted unanimously to appoint Todd Odit as full director to the board.

Upon motion (Wells/Young), duly adopted, the board voted unanimously to re-appoint Dave Atherton as a Secretary/Treasurer to the board.

Fred Satink provided a brief organizational update, including the following:

- In staff news, VLCT hired Phil Latvis as the new Risk Management Services Director, and his first day will be April 21st; Underwriter Susan Benoit recently retired, and Denise Ricker moved back to Underwriting to fill that role while VLCT works to recruit a new front desk receptionist; PACIF Legal Counsel Phil Woodward will be moving to part-time with VLCT effective in May, and Julie McKenzie will be filling in while he is on sabbatical

for the month of April; additionally, VLCT will be looking to recruit a senior property and casualty claims representative soon.

- Underwriting staff is still very busy with the Origami policy system troubleshooting post rollout. Problem items should be resolved by the end of May including rollout of the new member portal. The Origami claims system kick-off meeting was held last week, and the system build will commence within the next few weeks.
- Fred Satink, Kelly Knotek and board members Nicolas Storellicastro and Bryan Young attended the AGRiP Governance Conference in Las Vegas, Nevada March 16 - 19. The next meeting board members may be interested in attending is the NLC RISC Trustees Conference May 14 – 16 in Clearwater, Florida.
- The worker's compensation claims team worked with the VT Department of Labor to recently to resolve and settle some long-standing claims.

Fred Satink provided a brief summary of Invest EAP services available to PACIF members and highlighted some key service elements including member orientations, miscellaneous trainings and continued enhancement of the SECURE peer support program for first responders. Invest EAP continues to provide value-added services to the PACIF membership and has not increased its cost for these services for roughly eight years.

Carrie Rice and Emily Mann of Johnson Lambert reviewed the results of the 2024 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 2.2% in 2024, primarily due to investment income that was partially offset by an operating loss.

Upon motion (Atherton/Odit) duly adopted, the board voted unanimously to accept the 2024 PACIF Financial Audit as presented.

Mr. Satink initiated a presentation for the PACIF Board which provided an overview of Risk Management Services Operations including staff, roles, responsibilities, programs and services. Worker's Compensation Claims Manager, Peggy Gates, Interim Deputy Director of Underwriting, Kelly Knotek, and Interim Deputy Director of Property & Casualty Claims, Kelly Kindestin, also provided an overview of their respective areas. Mr. Satink also reviewed the Loss Control and Legal areas. President Frank expressed his appreciation for the overview and voiced his belief that these various teams and staff make up the heart of PACIF.

Bryan Young reviewed the Report of the Joint Investment Committee. The committee met on March 14 to discuss year-end results with Lucy Rimsky of Strategic Asset Alliance (SAA) and representatives from Insight. Investment results were positive for both trusts at year-end and slightly outperformed the benchmarks. Emin Hajiyev of Insight also provided the committee with a high-level overview of the economy with respect to policies implemented under the new presidential administration. Lucy Rimsky provided a peer group analysis, and Seth Abbene provided a brief update on local investments.

Upon motion (Atherton/Odit) duly adopted, the board voted unanimously to accept the Report of the Joint Investment Committee.

Mr. Satink reviewed the Enterprise Risk Management (ERM) assessment process that is completed each year and also provided an executive summary of the 2025 results. Mr. Satink reviewed the

methodology behind the process, which identifies potential financial risks to PACIF, catalogs them, and then scores each risk according to its likelihood and impact on net position. Each year an internal team of VLCT staff develops and reviews the list in detail and adds any potential new risks to the catalog. The highest scoring risks are then carried over to a “risk inventory” where staff documents detailed measures used to mitigate or manage each risk. Mr. Satink reviewed the 10 highest scoring risks that made it to the risk inventory and shared the risk control measures as part of the executive summary document.

Mr. Satink provided a brief legislative update. S.125 proposes several new workers’ compensation provisions including allowing claimants to request medical case management services and increasing carrier penalties for late benefits. VLCT currently has no opposition to this bill, which was recently passed out of the Senate.

Mr. Satink also highlighted H.397, a flood omnibus bill, which proposes multiple flood provisions including assisting municipalities in developing plans for flood response and recovery, creating positions at the state level to support municipalities with grant applications and engineering of flood mitigation and resiliency projects and state technical and financial support for flood prone town highways. This bill has passed out of the House, and VLCT has no opposition to the bill.

Mr. Satink also noted S.7 regarding auto insurance which may limit an insurer’s subrogation rights with respect to medical payments coverage and will prohibit an insurer from deducting from the underinsurance motorist coverage from any payments received by the policyholder through the at-fault driver’s liability coverage. VLCT has not opposed this bill, but it does have the potential to modestly impact PACIF’s auto liability costs. The bill has passed the Senate.

Of most concern is H.361 which proposes to create a municipal and regional civilian oversight of local law enforcement. The bill surfaced late in the session and did not make it to crossover, but staff will be tracking to ensure its provisions do not get added on to any other bills as it would undoubtedly create several complications with respect to law enforcement liability.

In other business, President Frank wished to formally thank and honor Patrick Moreland for his seven years of service to the PACIF Board. President Frank stated Mr. Moreland brought a great depth of understanding of municipal issues and services to the board, including experience with municipal flooding and a strong fiscal acumen. President Frank further noted Mr. Moreland was a pleasure to work with and he will be greatly missed. President Frank and the board congratulate Mr. Moreland on his new role leading DV Fiber.

President Frank moved to enter into Executive Session (11:51 a.m.), pursuant to 1 V.S.A. §313(a)(3), for the purpose of discussing evaluation of a public officer or employee, provided however that no final decision will be made in executive session. President Frank additionally moved to ask the Executive Director to attend the executive session. The motion was seconded by Director Odit and approved unanimously. All excluded staff left the meeting, and the recording was paused.

The board voted to exit Executive Session at 11:59 a.m., staff returned and the recording resumed.

Upon motion (Atherton/Odit), duly adopted, the board voted unanimously adjourn the meeting (12:00 p.m.).

There was no other business.

Respectfully submitted,

A handwritten signature in black ink, reading "Kelley Avery". The signature is fluid and cursive, with the first name "Kelley" and last name "Avery" clearly distinguishable.

Kelley Avery,
Assistant Secretary

Link to Meeting Recording:

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VLCT PACIF Board Meeting 4/4/2025](https://us06web.zoom.us/rec/share/cklZxtOwCqfhRRmEXLluJqXn0eP8ApP95ZmjD1_iqwas5C<u>ouDkBOCOgIBQY4ST0q.ogbn9lSc-OMthqW5?startTime=1743775234000</u></p></div><div data-bbox=)