MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND, INC. BOARD OF DIRECTORS MEETING
PROCTOR TOWN OFICE, PROCTOR, VT and VIA ZOOM
FRIDAY, NOVEMBER 6, 2026

Directors present: Aaron Frank, Charles Safford (remote), Bryan Young (remote), Todd Odit (remote), Rob Gaiotti, Jon Potter, Chris Taylor (remote), Bruce Urie (remote), Judy Frazier, Karen Barber (remote), Erik Wells and Chad Whitehead

PACIF Staff present: Phil Woodward, Fred Satink, Meredith Dolan, Carrie Johnson, and Russell Young

VLCT Staff present: Phil Latvis and Kelley Avery

Others present: VLCT staff members (Seth Abbene, Heather Hood, Amanda Moshinke, Jessica Hill, Julie McKenzie, Allison Buckley, Lukas Pomerville, Katie Buckley Terri Crawford, Jill George, Jeremy Weiss, Lisa Goodell, Kelly Knotek and Marguerite Ladd)

President Frank called the meeting to order at 9:00 a.m. and asked for introductions from board members, staff and guests. President Frank then noted public comments would be taken toward the end of the meeting and requested that all non-board member attendees please turn off their cameras until that time.

President Frank asked for a motion to approve the agenda with amendments to add 7.c., Motion Regarding Temporary Employee Positions, 7.d. Motion Regarding Approval of Job Descriptions and 7.e. Motion to Join VMERS.

> **Upon motion (Safford/Odit), duly adopted, the board voted unanimously to approve the agenda as amended.**

President Frank requested a motion to approve the consent agenda with a slight amendment to the October 2, 2026 minutes to correct the PACIF email address to info@vtpacif.org.

> **Upon motion (Odit/Gaiotti), duly adopted, the board voted unanimously to approve the consent agenda as amended.**

President Frank called for Russell Young to present the results of the board election. Mr. Young noted he and his firm had been requested by the board to review the ballots cast for the PACIF board 2026 election for directors with expiring terms. Mr. Young reported results as follows: Charles Safford, 96 in favor, 3 against; Aaron Frank, 94 in favor, 4 against; Erik Wells 96 in favor, 3 against; Bruce Urie, 94 in favor, 3 against. There were 7 abstentions and 10 ballots were received after the due date. The 99 total ballots cast constitute a quorum of the membership thereby validating the election results.

President Frank requested a motion to accept the results of the 2026 PACIF election.

> **Upon motion (Frazier/Gaiotti), duly adopted, the board voted unanimously to approve the results of the 2026 PACIF Board election as presented.**

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Mr. Young presented the packet of ballots to the board to be entered into the PACIF corporate book of materials. President Frank requested a motion to acknowledge receipt of the election ballots.

Upon motion (Taylor/Odit), duly adopted, the board voted unanimously to acknowledge receipt of the 2026 election ballots for the PACIF Board records.

President Frank called on Fred Satink to review his presentation on Municipal Risk Pools and Financial Support to Municipal Leagues. Mr. Satink noted he reached out to 35 league and non-league pools and 8 groups did not respond. Of these groups, 20 yielded sufficient data for comparison. Of these 20, 8 were league pools where the league served as the employer while the remainder were non-league pools. Structures, staffing, league relationships, and use of third-party administrators varied widely across these organizations.

For the purpose of this study, compensation was adjusted to represent an IVF (institutional value fee) that represented the pool's annual financial contributions to the municipal league as a percentage of the pool's current member annual risk management contributions. This study showed that IVF percentages varied widely between organizations ranging anywhere from 0.6% to 5.3% among league pools and from 0 to 2% among non-league pools. Overall, the results showed that pools on average pay a higher percentage where the league acts as the employer than in the case of non-league pools. Mr. Satink noted the complete report, charts and all supporting details were available for viewing at the www.vtpacif.org web site.

Director Potter asked what the IVF value was comprised of, and whether or not the PACIF board should use it to determine its own percentage. Mr. Satink noted that the amount varies, stating that, particularly for the league pools, they pay an overall fee that often includes the cost of staff, shared services and some funding for their league, but that for the purpose of the analysis, the cost of staff and shared services were removed.

Director Barber thanked Mr. Satink for the presentation and stated the information was very helpful and that she appreciated the work that went into the report. She stated she struggled with the calculation and what went into it since an IVF is intended to capture the value that isn't easily quantified. She noted the examples presented made it difficult to determine the equivalence in comparisons since the organizational structures varied widely between organizations. Director Barber asked how Mr. Satink quantified those items that didn't necessarily have a specific dollar value attached to them, what was taken into account and how that factored into the calculations. Mr. Satink agreed there's a great deal of variation between how pools financially value their relationships with their leagues. Mr. Satink noted the IVF represents the additional payment to the leagues over and above what the league's actual costs were for providing services.

Director Barber responded that she did review the table data and concurred the info shows what each league pays above direct service costs, but what the table doesn't show was how that number was actually calculated by each organization and what went into the calculation. Mr. Satink noted it's normally based on a specific agreement either between the league and the pool that the parties feel is reasonable and have agreed to that may or may not equate to a value received. Mr. Satink conceded that each league and pool determines what makes sense for them.

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Director Barber asked, given the subjective nature of the data, whether or not Mr. Satink may have additional information available in the future or a recommendation regarding the value and the nature of the relationship in Vermont. President Frank responded that this would go beyond the scope of what Mr. Satink was asked to do.

Director Potter asked if any of the leagues surveyed employed a business appraiser to independently determine the value. Mr. Satink responded no, that none of the organizations took such measures that he was aware of and that it's incumbent upon each board to determine what they feel is fair, reasonable and appropriate. President Frank noted this is why Mr. Satink was asked to research what other leagues and pooling organizations are reporting as the non-fee for service amount they are paying to their leagues. The PACIF Board wanted to be aware of what these variations are since they are being asked for a fee from the Vermont league, currently stated as just a dollar amount, but it doesn't say how it matches up to services or how it's derived, and it would be more transparent to have a dollar amount vs. combining the fees for service and IVF together.

President Frank asked for a motion to enter into executive session.

> **Judy Frazier moved** that the board finds that premature general public knowledge of contract negotiations between PACIF and VLCT regarding the Administrative Services Agreement would clearly place PACIF at a substantial disadvantage, and further moved that the PACIF board go into executive session to discuss contractual negotiations between VLCT and PACIF. **The motion was seconded by Erik Wells and the board voted unanimously to approve.**
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> **Judy Frazier additionally moved** that the board go into executive session to discuss employment or appointment of PACIF officers, employees and attorneys, and also moved that the board invite Fred Satink, Phil Latvis, Phil Woodward, Meredith Dolan and Russell Young to join the executive session. **The motion was seconded by Erik Wells, and the board voted unanimously to go into executive session at 9:33 a.m.**

At 11:03 a.m. the board returned to open meeting. Staff and guests not in attendance for the executive session rejoined the meeting.

President Frank requested a motion to approve the credit card authorization for Meredith Dolan, VLCT PACIF Chief of staff.

> **Upon motion (Gaiotti/Wells), duly adopted, the board voted unanimously to approve the Board Authorization to obtain and issue a fund credit card to VLCT PACIF Chief of Staff, Meredith Dolan.**

President Frank asked for a motion to approve a PACIF independent auditor for the 2026 audit.

> **Upon motion (Potter/Gaiotti), duly adopted, the board voted unanimously to approve a request for Johnson Lambert as an independent auditor for the 2026 audit.**

President Frank asked for a motion regarding the PACIF General Counsel job description and clarification regarding other positions.

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John Potter moved to approve an amendment to the PACIF General Counsel job description to include a new temporary role entitled "Transition, Coverage and General Counsel" through June 30, 2027 to recognize the expanded role of the Coverage and General Counsel position during the current period of ongoing negotiations and staff transition. **The motion was seconded by Judy Frazier and unanimously approved by the board.**

John Potter further moved that, unless otherwise specified, staff recently hired directly by PACIF are temporary positions hired for an anticipated limited duration and are not intended to be indefinite roles within PACIF. **The motion was seconded by Rob Gaiotti and unanimously approved by the board.**

President Frank requested a motion regarding job description authorizations.

John Potter moved to authorize any two PACIF Board officers to approve job descriptions for PACIF employee positions until such time as the PACIF RMS Director reports directly to the PACIF Board or June 30, 2027, whichever comes first. **The motion was seconded by Judy Frazier and unanimously approved by the board.**

President Frank requested a motion for PACIF to join VMERS (the Vermont Municipal Employees Retirement System). Director Judy Frazier read the following motion:

In consideration of employees PACIF would like to retain, the Board of Directors for the VLCT Property and Casualty Intermunicipal Fund, Inc. (PACIF) hereby moves to join the Vermont Municipal Employees Retirement System (VMERS) with an effective date of January 1, 2027 to offer both the Defined Benefit (DB) Group B Plan and the Defined Contribution (DC) Plan to a regular PACIF employee working 30 hours or more per week and to send a letter to VMERS officially requesting to join according to these terms. Any existing regular PACIF employee working 30 hours or more per week at the time of this vote shall have the option to join VMERS on January 1, 2027 or at the start of any future quarter. Any new regular PACIF employee working 30 hours or more per week hired on or after November 6, 2026 will automatically join VMERS as of January 1, 2027 or upon their hire, whichever comes later. **The motion was made by Judy Frazier, seconded by Rob Gaiotti and unanimously approved by the board.**

Under information items, Phil Latvis provided an update regarding reinsurance for the 2027 PACIF Renewal. All reinsurers have now been secured for 2027. For the most part the structure and carriers remain the same with the exception of cyber liability. Great American replaces Beasley as the new carrier. The overall cost increase for reinsurance for 2027 will be 4%. Staff was able to secure doubling the coverage limits for members on 1st and 3rd party losses in cyber coverage. In addition, the new carrier will provide risk management services to PACIF including penetration testing at member sites and also will provide in-person and webinar-based training opportunities and other resources as well. Overall, the premium difference with this carrier change is roughly 2% higher from last year, largely due to exposures.

Director Odit noted staff might consider hiring a cyber security expert to have on staff in Loss Control for the future, and Mr. Latvis noted that is certainly on the wish list.

Phil Latvis also noted 2027 renewals are being processed by Underwriting staff presently. Overall rates for members will decrease by approximately 2.5%. This is made up of a combined 1.2% increase in liability, 5.5% decrease in property and a 2.7% decrease in worker's compensation. There will be a variation on rates from member to member depending on their exposures. Auto liability has increased a great deal, not just in Vermont but at the national level as well. Also, staff has changed the uninsured motorist rating method for 2027 from a per vehicle minimum premium to a flat per member limit chosen.

President Frank stated he was glad to hear the average rates are going down and thanked the staff for all of their work on the renewal on behalf of members.

Phil Latvis added to the organizational update included in his memo that the new Origami Claims system has presented some challenges and it appears the go live date will be sometime after the first of the year.

In other business, President Frank requested a motion regarding PACIF and VLCT negotiations. Board alternate Chad Whitehead read the following motion:

> I move that we authorize PACIF's negotiating team to negotiate and bring back to the PACIF Board for consideration an agreement with VLCT that provides conflict-free access and communication with RMS and associated staff starting immediately, transfer of assets and resources and paid for with PACIF funds to PACIF, direct reporting of RMS and associated staff to the PACIF Board not later than January 1, 2027, transitioning of RMS and associated staff to direct employment with PACIF not later than July 1, 2027 and level funding by PACIF to VLCT for 2027 with a COLA for the purpose of protecting funding for existing VLCT staff jobs. **Rob Gaiotti confirmed he would make this motion. The motion was seconded by Erik Wells, and all board members approved with the exception of Director Barber who abstained**

President Frank noted the board would provide opportunity for public comments. He prefaced that the PACIF Board is convened to do the business of PACIF, which is a non-profit corporation authorized to provide risk management services to municipal entities by state statute. The PACIF Board is responsible to its municipal members and special purpose governments. The PACIF Board is providing the opportunity for public comment and respectfully requests the understanding that this is not a dialogue but rather an opportunity for public comment. He also noted that the PACIF Board is not the employer of VLCT employees, although it shares some interests with VLCT and the employees perform important and varied key services for PACIF. The Board Chair may set time limits or content limits under public comment. President Frank asked for commenters to please raise their hand either in person or virtually, state their name, how they are involved with PACIF for transparency and make their comment.

Lukas Pomerville, VLCT employee, raised his hand and was called upon. Mr. Pomerville asked if the last motion that was made will be posted or online or in the minutes. President Frank confirmed that the motion would be made public.

There were no further public comments, and there was no other business.

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Upon motion (Potter/Gaiotti), duly adopted, the board voted unanimously to adjourn the meeting (11:19 p.m.).

Respectfully submitted,

Kelley Avery
Assistant Secretary
Link to meeting recording here

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