

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,
INC. BOARD OF DIRECTORS MEETING
VLCT OFFICE – MONTPELIER, VERMONT and VIA ZOOM
FRIDAY, FEBRUARY 7, 2025**

Directors Present: Aaron Frank, Bruce Urie (remote), Dave Atherton, Jackie Higgins (remote), Rob Gaiotti, Judy Frazier (remote), Patrick Moreland (remote), Erik Wells, Bryan Young, Charles Safford, Kelly Murphy and Nicolas Storrellicastro

Staff Present: Fred Satink, Ted Brady, Seth Abbene (remote), Jessi Hill, Phil Woodward, Jill George (remote), Kelly Knotek and Kelley Avery

Other present: Steve DiCenso and Julia Rosen (Milliman – remote)

President Frank called the meeting to order at 10:00 a.m. Attendees introduced themselves for the benefit of new board member Nicolas Storrellicastro.

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

Upon motion (Murphy/Higgins), duly adopted, the board voted unanimously to approve the minutes of the December 6, 2024 board meeting.

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

- In staff news, Mike Musas has been hired as the new Business Systems Administrator/Analyst and will begin work for VLCT starting next Monday.
- Mr. Satink provided an update to the board on PACIF flood claims from July of 2024.
- The Origami Policy implementation is still progressing with staff working to include certificates and endorsements in the system. Staff hopes to have the member portal up and running by March. The Origami Claims system implementation will be underway soon with a go-live target date planned for 1/1/26.
- PACIF Underwriting staff will be starting the worker's compensation audits soon.
- Mr. Satink is working to secure an independent actuarial consultant to assess Milliman's work, and staff hope to have their report ready to present at the April meeting.
- Staff has started the Enterprise Risk Management Risk Inventory process for 2025.
- The AGRiP Governance Conference is scheduled for March 16 - 19 in Las Vegas, and three board members, Dave Atherton, Bryan Young and Nicolas Storrellicastro are scheduled to attend along with Mr. Satink and Kelly Knotek.

Jill George reviewed the fourth quarter claims report.

Upon motion (Atherton/Murphy), duly adopted, the board voted unanimously to accept the fourth quarter claims report.

Kelly Knotek updated the board on the 2025 renewal. Despite three members going out to bid, PACIF retained 100% of its members and also added one new member for 2025.

President Frank moved to enter into Executive Session (10:19 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, the Director of Operations, and the Acting RMS Director to attend the executive session. The motion was seconded by Director Atherton and approved unanimously. All excluded staff left the meeting, and the recording was paused.

The board voted to exit Executive Session at 10:26 a.m., staff returned and the recording resumed.

Ted Brady provided a brief update on VLCT's professional relationship with Acrisure. Although the organization is a competitor on the property/casualty coverage side, Acrisure is VLCT's benefits partner for Health Insurance Advisory Services and life and disability coverage. Mr. Satink and Mr. Brady are working with Acrisure to consider whether there is potential for a more cooperative relationship on the property and casualty side. VLCT is also working with Acrisure to investigate potential alternative health insurance options as well.

Seth Abbene reviewed the results of the Department of Financial Regulation's five-year examination of VLCT PACIF for the period of 1/1/17 through 12/31/21. The DFR completed its exam on 12/30/24 and offered a clean report with no significant findings or issues. The next exam is expected to be conducted in 2027.

Upon motion (Atherton/Higgins), duly adopted, the board voted unanimously to accept the Department of Financial Regulation Examination Report of VLCT PACIF.

Mr. Satink reviewed updated copies of PACIF's Strategic Plan and the Business Plan and provided the board with an update on the progress to date in each category. Mr. Satink also noted that the board is currently scheduled for a Strategic Planning session in late June. Given Mr. Satink's Interim Director status, and current search for a new Director of Risk Management Services, Mr. Satink feels it would be more appropriate for the board to undertake its Strategic Planning session with the new director once they're hired and settled into the role. The board members were in general agreement to defer the strategic planning process until later this year, when a new Director, RMS is in place.

Julia Rosen and Steve DiCenso from Milliman presented the Actuarial Analysis of Loss and Loss Adjustment Expenses Reserves through 12/31/2024. Milliman's central reserve estimate for 2025 is at \$50,179,263, a noted increase from the 2024 estimate of \$46,447,770. This increase is largely due to PACIF's 2023 and 2024 losses, along with an increase in unallocated loss adjustment expense. Ms. Rosen also reviewed some of the terminology in the report for the benefit of the new board member present.

Upon motion (Young/Safford), duly adopted, the board voted unanimously to accept the Actuarial Analysis of Loss and Loss Adjustment Expense Reserves as of 12/31/2024 with carried reserves at the central estimate of \$50,179,263.

Mr. Satink provided a brief legislative update to the board. Thus far very few bills have been introduced impacting PACIF. Bill H.22 proposes to amend the Public Records Act to make benefit extension agreements and severance pay for employees of public agencies a matter of public record, which could potentially be problematic for employers. S.7 proposes to change auto

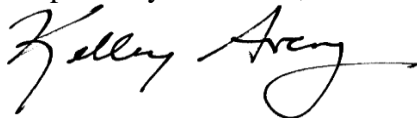
insurance by limiting an insurer's subrogation rights on medical payments, which could impact PACIF's liability costs for member auto coverage. S.40 was introduced which would give the governor authority to draw down funds in a state emergency with threats of potential flooding. Ted Brady also noted H.138, championed by VLCT, was introduced by the chair of House Judiciary. This bill proposes to amend the existing statute that caps liability claims against the state, so that it includes municipalities. Kelley Avery noted a worker's compensation bill was also just introduced in the legislature today, H.163. Staff will continue tracking these bills and will report back to the board at its next meeting.

Under other business, Director Wells spoke in his VTCMA Board President capacity, along with fellow board member Kelly Murphy. The VTCMA hopes to relaunch a Senior Advisor Program which allows a retired municipal manager to provide assistance or guidance to existing managers and administrators. Mr. Wells asked if PACIF would be interested in contributing \$2,500 out of net position toward a re-launch of this program. He indicated this would be a one-time request, to fund a valuable program supporting local government leaders. After a brief discussion, the board agreed to the request and also asked for Director Wells to report back in nine months on the progress of the program.

Upon motion (Frank/Atherton), duly adopted, the board voted unanimously to approve an allocation of \$2,500 from net position toward the VTCMA Senior Advisor Program.

Upon motion (Safford/Atherton), duly adopted, the board voted unanimously to adjourn the meeting (11:42 a.m.).

Respectfully submitted,



Kelley Avery,
Assistant Secretary

Link to Meeting Recording: https://us06web.zoom.us/rec/share/YGZlq2LO4JIODW965_fgz2Le-bvTGVpKT_NMC_kkrDOGCqiWrx5Ng8K4KNlgBVC4.jNZWvh5jWLUvRHHZ?startTime=1738940441000