

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,
INC. BOARD OF DIRECTORS MEETING
VLCT OFFICE – MONTPELIER, VERMONT and VIA ZOOM
WEDNESDAY, DECEMBER 13, 2023**

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

Staff Present: Joe Damiata, Fred Satink, Ted Brady, Seth Abbene, Phil Woodward, Jill George, Abby Friedman and Kelley Avery

Vice President Frank presided over the meeting in President Jackie Higgins' absence. Vice President Frank called the meeting to order at 10:02 a.m.

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

Upon motion (Moreland/Wells), duly adopted, the board voted unanimously to approve the minutes of the October 6, 2023 board meeting.

Joe Damiata provided a brief organizational update, including the following:

- Staff are wrapping up end-of-year business, such as performance reviews.
- VLCT has hired a new Sr. Loss Control Consultant and a new Business Applications System Administrator. Additionally, Jill Muhr has notified staff she plans to retire by January 5th and staff will be recruiting to fill that position.
- An update on flood claims from July including staff's cooperation with VEM, DFR and FEMA throughout the process.
- The Origami system implementation is running a few months behind, but staff hopes to have a contract finalized within the next week. The go-live date for the Policy system is still January 1, 2025 with the Claims system to follow by about six months later.
- An update on VLCT and PACIF's involvement in the Municipal Climate Resiliency Fund.
- An update on VLCT's Building Committee and Ted Brady's recommendation to the VLCT Board of Directors.
- An update on the new Justice, Diversity, Equity, Inclusion and Belonging (JDEIB) Workgroup, a charge requested from the VLCT Equity Committee.
- 2024 conference opportunities that the board members may be interested in attending including the AGRiP Conference March 3 - 6 (which unfortunately conflicts with Town Meeting Day) and the NLC Conference May 8 - 10.
- Fred Satink updated the board on a Law Enforcement training session held December 8th regarding performance management and adequate supervision.

Seth Abbene reviewed the unaudited financials through the third quarter. Net position decreased by 2.4% from year-end due to an operating deficit which outweighed investment income. Revenues are up \$698,819 compared to this time last year largely due to increased contributions from modest rate increases. General and administrative expenses are 17.1% higher than this time last year primarily due to budgeted VLCT direct and indirect costs and costs for the new RMIS;

however, actual expenditures are still under budget as the RMIS expenses have been delayed to the fourth quarter and into 2024.

Upon motion (Moreland/Young), duly adopted, the board voted unanimously to accept the Q3 Financial Report.

Mr. Abbene reviewed the 2023 Audit Engagement Letter from Johnson Lambert. The firm is proposing a 6% increase in costs totaling \$55,400 for their services next year, which staff feels is adequate.

Upon motion (Ramsay/Safford), duly adopted, the board voted unanimously to approve the 2023 Audit Engagement Letter and authorized VLCT CFO Seth Abbene to sign it.

Jill George reviewed the third quarter claims report. Workers' compensation claims were higher than average for the quarter in both cost and frequency, largely due to a few large claims. Property and casualty claim frequency and cost were substantially higher than average largely due to claims resulting from the July flood losses.

Upon motion (Cadwell/Gaiotti), duly adopted, the board voted unanimously to accept the third quarter claims report.

Fred Satink provided a brief update to the board regarding the 2024 PACIF renewal and new business. PACIF retained 100% of its membership for 2024 add one new member in November and has a couple of other quotes pending.

Mr. Satink also reviewed a few additional revisions to the 2024 coverage document that need board approval prior to being filed with DFR.

Upon motion (Young/Urie), duly adopted, the board voted unanimously to approve the revisions to the 2024 Property & Casualty Coverage Document as presented.

Mr. Satink noted the November 21st Flood coverage memo that provided details about the 2024 flood coverage, reinsurance costs, and changes in PACIF risk. The memo was composed and distributed to the board following the October meeting at the request of one of the board members to more fully explain the coverage changes and compare them to the current coverage for 2023. Staff asked if there were any additional questions from the board regarding these 2024 flood coverage changes, and there were none.

Joe Damiata reviewed the 2024 Addendum to the VLCT Administrative Support Service Agreement and noted that costs have increased by 6.6% compared to 2023. Increases are largely due to standard salary and benefit increases in addition to other general administrative expenses. Staff is requesting the board's approval of the addendum and authorization for the Board President to sign.

Upon motion (Safford/Ramsay), duly adopted, the board voted unanimously to approve the 2024 Addendum to the Administrative Support Service Agreement as presented and authorized the Board President to sign.

Abby Friedman appeared before the board to inquire if there were any questions regarding the 2024 Proposed Workplan for the Municipal Assistance Center (MAC) services or the annual Memorandum of Understanding (MOU). Copies of both were included in the board packet, and staff is looking for approval and authorization for the Board President to sign the MOU. There were no questions from the board.

Upon motion (Cadwell/Moreland), duly adopted, the board voted unanimously to approve the 2024 MAC Loss Control Workplan as presented and authorized the Board President to sign the 2024 MOU between VLCT MAC and PACIF.

Joe Damiata briefly reviewed the 2024 PACIF Proposed Budget. There were only a few changes to this budget from the one presented at the October meeting. Revenues increased as a result of increased exposures reported by members on their renewal applications. Expected losses were subsequently increased due to these increased exposures. Overall, the proposed budget is up 11.8% compared to the 2023 budget, largely due to increased reinsurance costs and RMIS system implementation costs. Mr. Damiata once again noted, however, that the RMIS costs are not included in the Trust's overall 1.9% rate increase for 2024. RMIS costs will be paid out of net position and therefore the budget is showing an overall deficit.

Upon motion (Moreland/Urie), duly adopted, the board voted unanimously to adopt the 2024 Proposed PACIF Budget as presented.

The board reviewed the 2024 Proposed Board and Committee Meetings Schedule. Kelley Avery noted the Town Fair dates were just released to staff yesterday, and the Annual Meeting will take place next year on October 2nd in Killington, rather than September 24th in Burlington as noted on the draft schedule.

Upon motion (Ramsay/Cadwell), duly adopted, the board voted unanimously to approve the 2024 Proposed Board/Committee Meetings schedule as amended.

Mr. Damiata noted that Conflict of Interest forms are due once again from board members and that staff will look into sending these forms through DocuSign.

Under board governance, with the departure of Jared Cadwell at year-end and Charles Safford filling his seat as a full board member at that time (as approved by the PACIF membership at Annual Meeting), an Alternate vacancy will be open on the board. Staff have received one nomination for Kelly Murphy, Assistant City Manager in Montpelier. Current Alternate Todd Odit will also need to be reappointed as his term expires at year-end.

Upon motion (Ramsay/Gaiotti), duly adopted, the board voted unanimously to re-appoint Todd Odit as Alternate and to appoint Kelly Murphy as second Alternate, both for one-year terms.

Due to President Higgins' absence, Vice President Frank recommended committee appointments and the election of officers be tabled until the first meeting next year.

There was no other business.

Upon motion (Urie/Ramsay), duly adopted, the board voted unanimously to adjourn the meeting (10:57 a.m.).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fred Satink". The signature is written in a cursive, slightly slanted style.

Fred Satink,
Assistant Secretary