

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,
INC. BOARD OF DIRECTORS MEETING
VLCT OFFICE - MONTPELIER, VERMONT
AND VIA ZOOM
FRIDAY, APRIL 7, 2023**

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

Staff Present: Joe Damiata, Fred Satink, Phil Woodward, Ted Brady, Seth Abbene, Heather Hood, Jessica Hill, Kelly Knotek (remote), Jeremy Weiss and Kelley Avery (remote)

Other Present: Carolyn Rice and Jillian Mulcahy (Johnson Lambert), and Kimberly Frost (Finance Director, Brattleboro)

Due to the absence of both the Board President and Vice President, Director Bryan Young made a motion to have Secretary/Treasurer, Bruce Urie, chair the meeting. This was seconded by Dave Atherton.

Upon motion (Young/Atherton) duly adopted, the board voted unanimously to appoint Bruce Urie as Board Chair for the meeting.

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

Upon motion (Cadwell/Moreland) duly adopted, the board voted unanimously to approve the minutes of the February 10, 2023 meeting.

Joe Damiata provided a brief organizational update, which included the following items:

- Staff is close to a final Letter of Intent with Origami on the new RMIS system that will go forward with inception planning but not obligate PACIF to sign a full Software Subscription Agreement.
- The new MAP (Municipal Access Portal) has been implemented and rolled out to members in conjunction with the revamped VLCT web site and AMS back-office system for staff.
- Fred Satink, Joe Damiata and Kelly Kindestin attended the AGRiP Conference in March and received the AGRiP Recognition Award on behalf of PACIF.
- Staff will be contracting with an actuarial consultant that is part of Guy Carpenter to conduct a net position analysis for PACIF, with the goal of developing a target range. The goal is to present the results at the June board meeting.
- Town Fair will be September 26 and 27 this year at the DoubleTree in South Burlington with the annual meetings being held on the first day.

Jessica Hill provided an operational update including information regarding VLCT's summer internship program and potential sublease opportunities for the VLCT space. Ms. Hill also introduced a new staff person, Jeremy Weiss, VLCT's Membership and Administrative Coordinator, who has been instrumental in member support surrounding the MAP rollout. Mr. Weiss introduced himself to the board.

Fred Satink provided a brief summary for the board of Invest EAP's services and activities in 2022. In addition to general counseling support for PACIF member employees and their families, Invest EAP has also provided substance abuse counseling referrals and EAP First mental health services to first responders. Highlights for 2022 included a large number of EAP orientations for PACIF members and also EAP's work developing and implementing the regional peer support group, SECURE, for first responders.

Seth Abbene introduced Carolyn Rice and Jillian Mulcahy from Johnson Lambert who reviewed the results of the 2022 PACIF Audit. Ms. Rice and Ms. Mulcahy issued a clean audit with no audit adjustments or material weaknesses. Audited financials show PACIF's net position decreased by 11.5% in 2022, primarily due to unrealized investment losses that were partially offset by an underwriting gain.

Upon motion (Moreland/Young) duly adopted, the board voted unanimously to accept the 2022 PACIF Financial Audit as presented.

Joe Damiata, Seth Abbene, and Fred Satink conducted a board training. Mr. Damiata reviewed the history of PACIF including its purpose, origins and member composition. Mr. Damiata also outlined the various duties of the board members, board policies, its affiliated vendors, and regulatory requirements. Mr. Satink then provided a summary of the PACIF reinsurance layers and coverage levels. Seth Abbene conducted an actuarial tutorial which covered basic terminology and an overview of the cross-checking procedures that finance uses to verify actuarial data accuracy. Mr. Satink rounded out the training with an overview of PACIF's annual Enterprise Risk Management process that staff uses to identify, prioritize, and develop mitigation/control measures.

Bryan Young reviewed the Report of the Joint Investment Committee. The committee met on March 17 to discuss year-end results with Dan Smereck of Strategic Asset Alliance (SAA) and representatives from Insight. Investment results were down for both trusts at year-end but slightly outperformed the benchmarks. A representative from Insight also provided the committee with high-level training on macroeconomic conditions which influence investments. SAA also provided a peer group analysis, and Ted Brady presented a Municipal Reinvestment Pilot Program RFP to the committee for their approval to bring before the boards, which the committee approved.

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

Ted Brady presented a draft of the VLCT Municipal Re-Investment Pilot Program Request for Proposal (RFP). The idea for this RFP sprang from a similar program the State Treasurer currently has in place. Mr. Brady proposed to send this RFP to Vermont municipalities and non-profits to garner interest in a local investment portfolio. The funding for the program would initially be comprised of funds from available net position and working capital from PACIF, VERB and VLCT, and the purpose of the fund would be to allow for short-term loans to members or non-profits to benefit their communities. If approved, this RFP will be issued to solicit local investment options using PACIF funds. The VLCT and VERB Boards have not approved the RFP yet, but are expected to do so at their next meetings.

Upon motion (Frazier/Cadwell) duly adopted, the board voted unanimously to approve the Municipal Reinvestment Pilot Program RFP as presented.

Joe Damiata briefly reviewed S.73, a bill in the legislature which seeks to expand the worker's compensation firefighter cancer presumption. The bill has already been approved in the Senate and is now up for review in the House. Mr. Damiata already submitted testimony in the Senate, which will also be used in the House. As written, staff has no issue with this bill, but if further revisions take place, staff may need to testify in person to clarify our position.

Mr. Damiata reviewed recommended changes to the Member Contribution Payment Policy and the proposed elimination of three obsolete board policies: the Safety Policy, the Statutory Bond Requirement Policy and the Certificate of Insurance for Use of Town Facilities Policy. These three policies are no longer relevant to PACIF or board procedures, and the Member Contribution Payment Policy requires revision as Finance now only allows for quarterly payments from members.

Upon motion (Wells/Gaiotti) duly adopted, the board voted unanimously to approve the changes to the Member Contribution Payment Policy and discontinuing the Safety Policy, the Statutory Bond Requirement Policy and the Certificate of Insurance for Use of Town Facilities Policy.

Upon motion (Young/Cadwell) duly adopted, the board voted unanimously to enter into Executive Session (12:12 p.m.).

The board returned to General Session at 12:23 p.m.

Upon motion (Frazier/Wells) duly adopted, the board voted unanimously to adjourn the meeting (12:23 p.m.).

Respectfully submitted,



Fred Satink,
Assistant Secretary