

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,  
INC. BOARD OF DIRECTORS MEETING  
THURSDAY, SEPTEMBER 24, 2015  
VLCT OFFICES, MONTPELIER, VERMONT**

Directors Present: Pat Scheidel (left 2:00 pm), Walker James, Joshua Powers, John Lawe, Carl Rogers, Brendan Whittaker, Stu Hurd, Pete Johnson (by phone), Mel Adams

Staff Present: Ken Canning, David Sichel, Mike Gilbar, Maura Carroll, Joe Damiata, Jeremiah Breer, Pam Fecteau (12:30 pm) and Brian Story (Intern)

Others Present: Chris Kogut from Milliman (9:30 am - 12:30 pm), Michael Schirling (1:00 - 2:00 pm)

The meeting was called to order by President Scheidel at 9:32 a.m.

**Upon motion (Rogers/Adams) duly adopted by roll call, the Board voted unanimously to approve the agenda as presented.**

**Upon motion (James/Whittaker) duly adopted by roll call, the Board voted to approve the minutes from the June 26, 2015 meeting as presented. Adams and Hurd abstained.**

The board discussed a vacant board position that resulted from Hunter Rieseberg leaving the board. The Vice President position is also vacant as a result of Mr. Rieseberg's departure from the board.

**Upon motion (Scheidel/James) duly adopted by roll call, the Board voted unanimously to appoint Pete Johnson as Vice President.**

**Upon motion (Hurd/Rogers) duly adopted by roll call, the Board voted unanimously to appoint Aaron Frank to the vacant board position.**

Ken Canning distributed nominations received to date for the now vacant Alternate Board Member position. This vacancy will be addressed at the next board meeting.

The Board discussed the vacant Executive Secretary position.

**Upon motion (Rogers/Lawe) duly adopted by roll call, the Board voted unanimously to appoint Maura Carroll as Executive Secretary.**

Mike Gilbar reviewed the bank letter of credit renewal. The line of credit is \$3 million and it has never been drawn upon. The renewal is for two years at the same terms and conditions as expiring.

**Upon motion (Hurd/Scheidel) duly adopted by roll call, the Board voted unanimously to approve renewal of the line of credit for a two year period and to authorize Assistant Secretary David Sichel to sign the appropriate paperwork for the continued line of credit.**

Ken Canning introduced Chris Kogut from our actuary firm Milliman. Chris Kogut provided a detailed review of the methodology and results of the June 30, 2015 actuarial review of reserves, proposed rates and contribution credits for the board.

Ken Canning reviewed the preliminary budget for 2016. This preliminary budget figure was used by the actuary for their study.

The board recessed for lunch at 12:04 pm. The board reconvened at 12:28 pm.

The Board discussed proposed rates for 2016. Staff recommends an overall rate increase of 5.8%. A detailed rate proposal will be provided for the October 7 board meeting. The board discussed rate smoothing between lines of coverage. It was noted that other factors such as changes in exposures, experience modifiers and underwriting debits and credits impact the actual bill for each member.

Carl Rogers suggested that comparative information on worker's compensation experience modifiers be sent out with the renewals. This will allow members to gauge their workers' compensation performance compared to their peers.

Joe Damiata updated the board on the reinsurance renewals. While not finalized, rates are coming in flat or with decreases.

The board discussed confidence levels and their impact on rates. Carl Rogers noted that if one has more confidence in the work of the actuary than the confidence level used for setting rates does not have to be as high.

Pam Fecteau reviewed proposed changes to the Coverage Document for 2016. PACIF's corporate counsel John Riley will complete his review in advance of the October 7 board meeting. Most of the changes are language clarifications, but there are a few changes of substance. Staff also had one of the defense attorneys that PACIF uses review the Coverage Document. This attorney only completed a review of part of the Coverage Document this year. This process will continue next year.

Ken Canning reviewed the proposed distribution credit to members for 2016. Staff is recommending a distribution credit of \$500,000 with \$300,000 as rate credits and \$200,000 to fund the safety grant program. After discussion, it was a consensus of the board that the distribution credit should be \$700,000 with \$500,000 of rate credits and \$200,000 to fund the safety grant program.

Brendan Whittaker presented the report of the Law Enforcement Risk Management Committee. Members of the committee were Brendan Whittaker, Neal Fox and Hunter Rieseberg. When Mr.

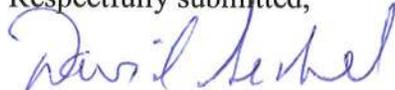
Rieseberg left the board he was replaced by Carl Rogers on the committee. The committee worked with staff and recently retired Burlington police Chief Michael Schirling. Mr. Schirling reviewed the findings of the study and provided an overview of 21st century policing.

**Upon motion (Powers/Adams) duly adopted by roll call, the Board voted unanimously to accept the Law Enforcement Risk Management Committee Report.**

Under other business Brendan Whittaker spoke about the public perception of PACIF's investment earnings.

**Upon motion (Hurd/Adams) duly adopted, the Board adjourned at 2:32 PM.**

Respectfully submitted,



David Sichel  
Assistant Secretary