

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,
INC. BOARD OF DIRECTORS MEETING
FRIDAY, MARCH 18, 2016
VLCT OFFICES, MONTPELIER, VERMONT**

Directors Present: Pat Scheidel, Walker James, Mel Adams (left 11:30 a.m.), Pete Johnson, John Lawe, Brendan Whittaker (by phone 10:10 a.m.), Neal Fox, Aaron Frank, Carl Rogers and Jackie Higgins

Staff Present: David Sichel, Jeremiah Breer, Michael Gilbar, Joe Damiata and Maura Carroll (left 11:00 a.m.)

Others Present: Magali Welch and Carolyn Rice (Johnson Lambert)

The meeting was called to order at 10:00 a.m.

Upon motion (James/Johnson) duly adopted, the Board voted unanimously to approve the agenda as presented.

Upon motion (Fox/Adams) duly adopted, the Board voted unanimously to approve the minutes from the February 19, 2016 meeting as presented.

Magali Welch and Carolyn Rice from Johnson Lambert presented the 2015 financial audit. They issued an unmodified opinion on the financial statements. The financial statements included the increase in loss reserves that resulted from the work of PACIF's new consulting actuary.

President Scheidel asked about the cost of conducting an audit of internal controls. Ms. Rice responded that these reviews are expensive. Publically traded companies are required to have an annual audit of internal controls. An alternative is to have an audit of agreed upon procedures. This audit of internal controls only reviews a subset of internal controls as requested by the client.

Upon motion (James/Rogers) duly adopted by roll call, the Board voted unanimously to accept the 2015 financial audit.

David Sichel provided an organizational update.

- The contract for bank custodial services from U.S. Bank has been signed. The change of custodial banks will be effective on April 1, 2016.
- Two items relating to Best Doctors Occupational Health Institute were reported. First, Darlene Breton is no longer PACIF's Patient Advocate. Second a booklet about back injuries prepared by BDOHI was distributed to the board. This booklet will be sent out to claimants with back injuries.
- The workers' compensation medical bill review service will be on-line by the end of this month.

Joe Damiata updated the board on the WorkStrong program.

Abigail Friedman reviewed services provided to PACIF by the Municipal Assistance Center during 2015. She also reviewed the model policies prepared through the PACIF contract during 2015.

Upon motion (Whittaker/James) duly adopted by roll call, the Board voted unanimously to accept the 2015 Municipal Assistance Center report.

The board discussed the status of the marijuana legalization bill pending in the legislature and its impact on municipalities.

David Sichel provided a legislative report. He reviewed potential legislation relating to independent contractors and workers' and unemployment compensation insurance. He also reviewed bills relating to Opioid use, Vermont Health Connect and other health insurance issues including a bill to disallow access of large groups (over 100 employees) to Vermont Health Connect health insurance plans.

Upon motion (Frank/Johnson) duly adopted by roll call, the Board adjourned at 11:45 a.m.

Respectfully submitted,

David Sichel
Assistant Secretary