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An Important Update About VLCT and Our Affiliated Government Risk Pools

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Vermont League of Cities & Towns

SERVING & STRENGTHENING VERMONT LOCAL GOVERNMENT

Dear Members:

We are writing to make you aware of important negotiations occurring between VLCT and our two affiliated government risk pools, the Property and Casualty Intermunicipal Fund (PACIF) and the Vermont Employment Resource and Benefits Trust (VERB), and to encourage you to learn more about these negotiations ahead of the upcoming annual meetings of all three organizations. **The outcome of these negotiations could affect the services VLCT provides its membership.**

In December of 2025, the boards of directors of PACIF and VERB surprised VLCT by declining to renew their customary full-year funding agreements for services. **Since then, at the request of PACIF and VERB Board Members, a working group consisting of VLCT, PACIF and VERB Board Members has met nine times, including nearly 20 hours in executive session, to negotiate a change to our administrative service agreements.** The only documented agreement publicly shared has been a one-year fee and service agreement that enabled VLCT to continue operating for 2026. That agreement ends in December, and we believe VLCT members should be aware that significant changes may be ahead for 2027 and beyond.

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The boards of directors of PACIF and VERB have requested more day-to-day control over VLCT operations that directly and indirectly affect insurance and risk management programs – about 70 percent of our operation. They are also seeking to reduce the amount of money they pay VLCT to administer the insurance programs. These requests come at a time when both PACIF and VERB have record memberships and record net positions, arguably some of the most successful examples of intergovernmental cooperation in the state's history. VLCT is proud of our role in administering both trusts and helping them reach this level of success.

To accommodate the financial changes PACIF and VERB have proposed, VLCT may need to change or reduce the services being delivered to our members, including reinstating fees for trainings, reducing the number of educational and networking opportunities offered, reevaluating the type of inquiries we can answer, and creating and updating less resources, models and templates. **To learn more about these negotiations, including how they may impact our ability to provide services to you in the future, we encourage you to visit VLCT's negotiation status web page.**

Your voice matters. We hope you'll attend all three organizations' annual meetings this fall to share your views on how a change to the VLCT relationship with PACIF and VERB could impact you.

- VLCT's annual meeting will be held virtually on Tuesday, October 6th at 2 p.m. You can register online here(opens in a new tab).
- PACIF and VERB decided to have their meeting on a different day, at a different place this year. The annual meetings for PACIF and VERB will be held in-person on November 18th at 10 a.m. at 36 College Street in Montpelier.

While the best way to be heard is to attend the meeting and speak up or contact board members directly, VLCT has also created a member feedback form at VLCT Updates on PACIF/VERB Contract Negotiations.

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Thank you for your service to Vermont's municipalities. We appreciate your attention to these important negotiations.

Sincerely,

The VLCT Board of Directors

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