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[Home](#) > PACIF Board of Directors Meeting Minutes 2019 03-22

PACIF Board of Directors Meeting Minutes 2019 03-22

**VLCT Property and Casualty Intermunicipal Fund (PACIF), Inc.
Board of Directors Meeting
Friday, March 22, 2019
VLCT Offices, Montpelier, Vermont**

Minutes

Directors Present: Pete Johnson (by phone), Carl Rogers, Joshua Powers, Jackie Higgins, John Lawe, Jerry Storey (by phone), Bruce Urie, Brendan Whittaker (by phone), David Atherton (by phone), Neal Fox (by phone), Aaron Frank (by phone) and Patrick Moreland

Staff Present: Joe Damiata, Maura Carroll, Jeremiah Breer, Fred Satink, Kelley Avery, Dean Mudgett, Jill Muhr, Mike Gilbar, Kelly Kindestin and Peggy Gates

Others Present: Magali Welch, Kristen Sharrow and Jillian Mulcahy (Johnson Lambert)

President Johnson called the meeting to order at 10:00 a.m.

Upon motion (Powers/Rogers) duly adopted, the Board voted unanimously to approve the agenda.

Upon motion (Moreland/Higgins) duly adopted, the Board voted unanimously to approve the minutes from the February 15, 2019 meeting as presented.

Magali Welch, Kristen Sharrow and Jillian Mulcahy from Johnson Lambert reviewed the results of the 2018 PACIF audit. They issued a clean audit, and no material weaknesses were identified. Audited financials show net position increased to just over \$27 million.

Upon motion (Rogers/Powers), duly adopted, the Board voted unanimously to accept the 2018 PACIF Financial Audit.

Joe Damiata provided the staff report on the following topics:

- VLCT will be entering into a contract for CRM (client relationship management) software soon and hope to implement the first phase of the new system by year-end.
- The first meeting of the Branding Committee will take place at VLCT on April 4.

- Mr. Damiata encouraged board members to take advantage of educational conference opportunities available this year.

Peggy Gates, Worker's Compensation Claims Manager, and Kelly Kindestin, Property and Liability Claims Manager, both reviewed current high-cost claims files with the board and updated them on the status of these claims issues.

Jeremiah Breer reviewed the financials for year-end 2018. This analysis will be included in the audited financials next year. Mr. Breer also reviewed illustrative charts on financial benchmarks that were developed in the Domo data visualization program.

Jill Muhr provided the Board with an update on the HR Consulting Program. The program assists members with a myriad of issues including COBRA, FMLA, ADA, compliance and personnel policies.

Fred Satink reviewed the status of our service agreement with JLT Re. Mr. Satink feels the broker is providing excellent service to PACIF and is very pleased with the level of their performance. Mr. Satink asked JLT Re if we could renew with them under a multi-year agreement, but since they are in the process of a merger, they could only offer us an extension for an additional year through 7/1/2020.

Upon motion (Rogers/Powers), duly adopted, the Board voted unanimously to approve extending the Broker Services Agreement with JLT Re for one year to 7/1/2020.

Joe Damiata reviewed the process that staff has undertaken relative to identifying the most appropriate process to determine the Fund's capital adequacy. Staff have considered a number of different ways to accomplish this project and have discussed alternatives with three different actuaries, JLT Re, as well as Johnson Lambert. After these discussions, staff have discovered that JLTRe can perform a BCAR analysis at no cost. This will provide the fund with a good initial evaluation of capital adequacy and help determine whether additional studies are warranted. Staff felt that this was a good first step and in general, the board was supportive of that approach.

Joe Damiata and Mike Gilbar reviewed updates to the PACIF Claim Settlement Authority Policy. #2 in the policy removes reference to the Deputy Director of Risk Management Services and replaces it with the Chief Financial Officer as there is no longer a Deputy Director of Risk Management Services position. #3 has simply been modified to clarify and further define the delegated settlement authority of Claims Managers.

Upon motion (Urie/Powers), duly adopted, the Board voted unanimously to approve the changes to the Claims Settlement Authority Policy.

With Dave Sichel's retirement, another signatory is required on the PACIF bank accounts, and staff has proposed adding Jeremiah Breer to replace him on these accounts.

Upon motion (Higgins/Moreland), duly adopted, the Board voted unanimously to approve adding Jeremiah Breer, Deputy Chief Financial Officer, as a signatory on all current PACIF accounts and authorized the Board President to sign the People's Bank Resolutions.

Joe Damiata provided a brief legislative update on various bills that staff are tracking in the legislature. Kelley Avery is now following legislative activity in Dave Sichel's stead. There are only a few proposed bills of note which staff is tracking that have a potential PACIF impact. Maura Carroll also noted that a bill

regarding a Municipal Self Governance Program passed in the Senate and should be considered a big win for all local government officials.

Upon motion (Whittaker/Powers), duly adopted, the board voted unanimously to adjourn the meeting (12:06 p.m.).

Respectfully submitted,
Fred Satink, Assistant Secretary

Board or Committee:

PACIF Board of Directors

Board Meeting Date:

Friday, March 22, 2019

Resource Category:

- Minutes
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