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PACIF Board of Directors Meeting Minutes 2019 09-27

**VLCT Property and Casualty Intermunicipal Fund (PACIF), Inc.
Board of Directors Meeting
September 27, 2019
VLCT Offices, Montpelier, Vermont**

Minutes

Directors Present: Pete Johnson, Carl Rogers, Joshua Powers, Jacqueline Higgins, John Lawe, Brendan Whittaker, Neal Fox, Aaron Frank (by phone), Stuart Hurd (by phone), Patrick Moreland and Bruce Urie

Staff Present: Joe Damiata, Maura Carroll, Jeremiah Breer, Fred Satink, Kelley Avery, Kelly Kindestin, Pam Fecteau and Vicky Abare

Others Present: Steve DiCenso and Tara Miller (Milliman)

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

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

Upon motion (Powers/Whittaker) duly adopted, the board voted unanimously to approve the minutes from the June 21, 2019 meeting as presented.

In accordance with the new Service Vendor Contracts policy and AGRiP (Association of Government Risk Pools) Recognition Standards requirements, staff is asking the board approve, John Riley of Rice & Riley PLLC as formal general counsel and coverage counsel to the board. Mr. Riley provided an engagement letter to staff.

Upon motion (Urie/Whittaker), duly adopted, the board voted unanimously to approve John Riley's engagement letter and to authorize Mr. Riley's dual role as both general and coverage counsel to the PACIF Trust.

Director Whittaker moved that the PACIF Board send a note of appreciation to John Riley expressing their gratitude for all of his support and services over the years.

Upon motion (Whittaker/Fox), duly adopted, the board voted unanimously to send a letter of appreciation

to Trust legal counsel John Riley for his support and service to PACIF.

Carl Rogers and Jackie Higgins presented the report of the Nominating Committee. The committee met shortly before this board meeting to discuss terms expiring at the end of the year for Pete Johnson, Neal Fox, Stuart Hurd and John Lawe. Since President Johnson is resigning after today's board meeting, the committee recommends appointing board alternate Patrick Moreland to fill this seat. In addition, John Lawe is not seeking reappointment at the end of the year, and the committee recommends appointing board Alternate David Atherton to fill Mr. Lawe's position in December.

Under board governance, President Johnson's resignation leaves the position of Board President vacant. Mr. Johnson requested nominations. Joshua Powers nominated Jackie Higgins, but she declined the nomination. Brendan Whittaker then nominated Carl Rogers. The board agreed and nominated Carl Rogers as President, then nominated Jackie Higgins to replace Mr. Rogers as Vice President.

Upon motion (Powers/Whittaker), duly adopted, the board voted unanimously to appoint board Alternate Patrick Moreland as a full director to fill the remainder of Pete Johnson's term expiring 12/31/2019.

Upon motion (Urie/Whittaker), duly adopted, the board voted unanimously to appoint Carl Rogers as the new Board President and to appoint Jackie Higgins as the new Board Vice President.

With the appointment of Mr. Moreland, this leaves an Alternate position open, and there were seven nominations received. After several nominations, and a show of hands, the board decided to appoint Erik Wells of Williston to fill Mr. Moreland's Alternate position.

Upon motion (Johnson/Powers), duly adopted, the board voted to approve the appointment of Erik Wells of Williston to the board Alternate term expiring 12/31/2019.

Joe Damiata and Fred Satink reviewed the VLCT PACIF preliminary draft budget for 2020. These numbers will likely change since they are still a moving target, most notably with respect to reinsurance. For now, budgeted figures show an estimated increase of 5.4% in overall expenses for 2020.

Tara Miller and Steve DiCenso presented the results of the 2019 mid-year reserve, funding and contribution credit analysis. Due to better than expected claims experience for the year, Milliman's reserve figure dropped significantly, and as a result is recommending a decrease in net contributions of 4.5% for 2020. Staff once again noted this may change before final rate recommendations are provided to the board at the October 11 meeting, particularly due to the reinsurance market.

Fred Satink reviewed the proposed renewal recommendations for 2020. Staff was recommending rate changes as proposed by the actuary, but recent information sent from the reinsurers may impact these recommended rates. Staff will need to assess this new information from the reinsurers first to determine how best to proceed and will provide a final rate recommendation to the board at the October 11 meeting.

Pam Fecteau reviewed and explained the proposed changes to the 2020 PACIF Property and Casualty Coverage Document. Pam also noted that there were no changes proposed to the workers' compensation and Cyber coverage documents. Fred Satink also reviewed the new optional coverage available in 2020 for first responder vehicles, including the very specific conditions and circumstances under which the coverage will apply.

Fred Satink reviewed proposed revisions to the PACIF Underwriting Policy. Staff is proposing "Communications Districts" be added to the list of entities not eligible for membership. Another proposed change is to the contribution threshold at which a member receives a Workers' Compensation Size Discount. Staff proposes increasing this contribution threshold from \$5,000 to \$10,000 for 2020.

Mr. Damiata reviewed the proposed contribution credit to members for 2020. Staff will be recommending the provision of \$1.5 million in contribution credits, and an additional \$200,000 to fund the PACIF Grant Program for 2020.

In other business, the PACIF Board presented President Pete Johnson with a certificate and a marble VLCT cutting board in appreciation for his years of service to the board.

Also in other business, Jeremiah Breer requested the board's authorization for Secretary Joshua Powers to sign the People's United Bank Line of Credit Renewal form, required each year.

Upon motion (Higgins/Rogers) duly adopted, the board voted unanimously to authorize Secretary Powers to sign the People's United Bank Line of Credit Renewal form.

Upon motion (Powers/Fox), duly adopted, the board voted unanimously to adjourn the meeting (12:33 p.m.).

Respectfully submitted,
Fred Satink
Assistant Secretary

Board or Committee:

PACIF Board of Directors

Board/Committee Meeting Date:

Friday, September 27, 2019

Resource Category:

- Minutes
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