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PACIF Board of Directors Meeting Minutes 2019 11-15

**VLCT Property and Casualty Intermunicipal Fund (PACIF), Inc.
Board of Directors Meeting
Friday, November 15, 2019
VLCT Offices, Montpelier, Vermont**

Minutes

Directors Present: Carl Rogers, Jackie Higgins (by phone), Joshua Powers, Neal Fox, Stuart Hurd (by phone), John Lawe, Patrick Moreland, Jerry Storey, Bruce Urie, Brendan Whittaker (by phone), Dave Atherton (by phone) and Erik Wells

Staff Present: Joe Damiata, Maura Carroll, Jeremiah Breer, Fred Satink, Kelley Avery and Jill George

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

President Rogers called the meeting to order at 10:03 a.m.

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

Upon motion (Fox/Hurd) duly adopted, the board voted unanimously to approve the minutes of the October 11, 2019 meeting.

Joe Damiata provided the following updates and staff reports:

- • Jeff Theis in Loss Control recently resigned from VLCT to pursue other endeavors.
- • Staff from VLCT recently attended the NLC-RISC Staff and AGRiP conferences.
- • Phishing emails have been circulating where the sender pretends to be the board chair asking for funds. Please contact Carl Rogers or VLCT staff to confirm validity if you receive one of these emails.

Jeremiah Breer reviewed the financial statements through September 30, 2019. Net position is up 78% from 2018 year-end, largely due to decreases in prior year reserves and strong investment performance. Revenues are slightly lower (2%) than last year at this time, and general and administrative expenses are 1.5% higher, but 6.6% below budget.

Upon motion (Powers/Urie), duly adopted, the board voted unanimously accept the third quarter financial report.

Jill George reviewed the third quarter claims report. Claims frequency was average for property and casualty claims, but below average for workers' compensation claims. The average claim cost for all lines was down compared to Q3 last year. Total incurred across all lines was also down for Q3 of this year compared to Q3 of the last four years.

Upon motion (Storey/Powers), duly adopted, the board voted unanimously accept the third quarter claims report.

Fred Satink provided an update to the board on the 2020 PACIF renewal. Ten PACIF members have notified us they intend to go out to bid for 2020. Of these ten, two have already confirmed they intend to remain with PACIF. Renewal quotes will be presented to the remaining eight groups over the next few weeks. President Rogers requested staff inform the board of the remaining renewal proposal presentation dates and times in the event that any PACIF board members in the local area may be able to attend these meetings. Mr. Satink also noted four new groups have requested PACIF quotes for 2020, and one, the Town of Kirby, has accepted our proposal and will be joining PACIF for January 1, 2020.

Carrie Rice and Magali Welch from Johnson Lambert provided an educational overview to the board on Financial Reporting and Internal Controls. Ms. Rice and Ms. Welch outlined key financial elements for the board to focus on and provided examples of questions to ask when reviewing PACIF's financial reports. Ms. Rice presented the board with the timeline and planning details for the 2019 PACIF financial audit. Pre-audit preparation began in September, and the firm will return in February to complete their work. The 2019 audit results will be presented to the board at its meeting in March.

Carl Rogers mentioned that the Strategic Asset Alliance (SAA) contract expired at the end of 2018 and staff is asking for the board to authorize Maura Carroll to sign the new contract. The board received a copy of the contract in their packets with a retroactive effective date of January 1, 2019.

Upon motion (Whittaker/Fox), duly adopted, the board voted unanimously to accept the contract for Strategic Asset Alliance and authorized Executive Director Maura Carroll to sign it.

Mr. Damiata noted that John Mohr recently left SAA for other endeavors, and our new investment advisor with SAA will now be Dan Smereck.

Mr. Damiata provided a brief update to the board on the status of the Town of Victory and its probationary status. The group's three-year probationary period extends through October of next year.

Upon motion (Powers/Fox), duly adopted, the board voted unanimously to adjourn the meeting (12:23 p.m.)

Respectfully submitted,
Fred Satink
Assistant Secretary

Board or Committee:
PACIF Board of Directors
Board Meeting Date:

Friday, November 15, 2019

Resource Category:

- Minutes
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