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## **PACIF Board of Directors Meeting Minutes 2020 03-27**

**VLCT Property and Casualty Intermunicipal Fund (PACIF), Inc.  
Board of Directors Meeting  
Friday, March 27, 2020  
via conference call**

### **Minutes**

**Directors Present:** Carl Rogers, Joshua Powers, Aaron Frank, Stuart Hurd, Jerry Storey, Bruce Urie, Dave Atherton, Jackie Higgins, Jared Cadwell, Brannon Godfrey and Erik Wells

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

**Others Present:** Carolyn Rice and Jillian Mulcahy (Johnson Lambert)

President Rogers called the meeting to order at 10:04 a.m.

Joe Damiata asked for an addition to the agenda to discuss a proposed line of credit from PACIF to VERB under Other Business.

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

Upon motion (Powers/Hurd) duly adopted, the board voted unanimously to approve the minutes of the February 14, 2020 meeting.

Joe Damiata noted that recent appointments to the Joint Investment Committee (JIC) were not captured in the PACIF Board minutes of 12-13-19. Trust legal counsel recommended that the Board affirm the appointments at this meeting. Also due to Brendan Whittaker leaving the board, another committee member needs to be appointed to replace him. The board nominated Brannon Godfrey as his replacement to the JIC.

Upon motion (Hurd/Higgins) duly adopted, the board voted unanimously to acknowledge and affirm the appointment of Jerry Story, Bruce Urie, Aaron Frank and Jackie Higgins to the Joint Investment Committee from the 12-13-19 board meeting.

Upon motion (Powers/Hurd) duly adopted, the board voted unanimously to appoint Brannon Godfrey to the Joint Investment Committee.

Carolyn Rice and Jillian Mulcahy of Johnson Lambert reviewed the results of the 2019 PACIF Financial Audit. They issued a clean audit, and no material weaknesses were identified. Audited financials show that net position increased by 84.4%, primarily due to favorable loss development in prior year losses and an increase in investment returns.

Upon motion (Higgins/Hurd) duly adopted, the board voted unanimously to accept the 2019 PACIF Financial Audit.

Jeremiah Breer provided a brief report on the results of the March 13th Joint Investment Committee Meeting. PACIF's consolidated portfolio saw gains in 2019 of 11.58%. Although the markets have seen some extensive volatility over the last several weeks with the coronavirus pandemic, the portfolio appears well-positioned to weather the changes, and our investment advisors have no recommendations for changes to the portfolio.

Mr. Breer noted PACIF has used Strategic Asset Alliance (SAA) as our investment manager for more than 10 years, and it is the recommendation of staff and the Joint Investment Committee to put these services out to bid in the form of an RFP. This is strictly a fiduciary recommendation as staff has had no issues at all with the services from SAA. The request for proposals would be contingent upon the VERB and VLCT boards also agreeing to this bid recommendation.

Upon motion (Storey/Higgins) duly adopted, the board voted unanimously to accept the Joint Investment Committee Report.

Upon motion (Hurd/Storey) duly adopted, the board voted unanimously to approve putting investment consulting services out to bid, contingent upon agreement from both the VERB and VLCT boards.

Joe Damiata provided an organizational update. In compliance with the Governor's stay-at-home orders, he noted that all VLCT staff are working from home, with only few staff entering the offices infrequently for critical functions. Mr. Damiata also noted that staff is providing members with regular COVID-19 updates. Maura Carroll noted VLCT is working with the State Treasurer and also the National League of Cities to see what financial tools may be available to assist local government entities during this pandemic. Fred Satink noted that PACIF cyber limits coverage increased effective March 1st and the declaration pages were sent out to members. Joe Damiata indicated that he has provided a letter of support for a DOJ grant application that is being written by InvestEAP and will be submitted by the Lamoille County Sheriff's Dept. The grant proposes establishing regional wellness and peer support networks, and PACIF would be involved as a potential contractor providing training to municipal leadership.

Jeremiah Breer provided an analysis of budget-to-actuals for 2019. Nearly all categories were under budget for 2019 due to underspending or costs coming in lower than anticipated. The only exception was Safety and Health Promotion, as the annual grant program is funded out of net position and is not budgeted.

Under other business, Jeremiah Breer explained that staff is seeking board approval for PACIF to extend a \$250,000 line of credit to the VLCT Employment Resource & Benefits Trust (VERB) in the event VERB needs to access cash quickly due to an increase in unemployment insurance claims associated with the

COVID-19 pandemic. The line of credit would be paid back within 90 days plus interest. Staff hopes that VERB will not have to draw on this line, however putting it in place will ensure that the Trust will be able to meet its cash flow needs despite current market volatility.

Upon motion (Storey/Powers) duly adopted, the board voted unanimously to approve extending a \$250,000 line of credit to VERB and authorize the Director of Risk Management Services, Joe Damiata, to sign the agreement between the Trusts.

Mr. Damiata assured the board that VLCT staff would continue to provide updates and keep our members informed to the best of our ability regarding continuing COVID-19 legislative developments.

Upon motion (Hurd/Powers), duly adopted, the board voted unanimously to adjourn the meeting (11:20 a.m.).

Respectfully submitted,  
Fred Satink  
Assistant Secretary

**Board or Committee:**

PACIF Board of Directors

**Board/Committee Meeting Date:**

Friday, March 27, 2020

**Resource Category:**

- Minutes
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