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[Home](#) > PACIF Board of Directors Meeting Minutes 2020 12-11

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## **PACIF Board of Directors Meeting Minutes 2020 12-11**

**VLCT Property and Casualty Intermunicipal Fund (PACIF), Inc.  
Board of Directors Meeting  
Friday, December 11, 2020  
Virtual Meeting Via GoToMeeting**

### **Minutes**

**Directors Present:** Carl Rogers, Jackie Higgins, Joshua Powers, Dave Atherton, Neal Fox, Aaron Frank, Stuart Hurd, Jared Cadwell, Jerry Storey, Bruce Urie, Patrick Moreland, Erik Wells and Rob Gaiotti

**Staff Present:** Joe Damiata, Maura Carroll, Fred Satink, Jeremiah Breer, Phil Woodward, Kelly Kindestin, Abby Friedman and Kelley Avery

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

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

Upon motion (Moreland/Cadwell) duly adopted, the board voted unanimously to approve the minutes of the November 13, 2020 meeting.

Joe Damiata provided a brief organizational update to the board including the following:

- VLCT staff Peggy Tucker and Aggie Elwell will be retiring.
- Some staff are testing a Linked-In Learning web training tool which will be rolled out to all staff next year. With reduced travel due to COVID-19, the hope is that this will provide some additional training opportunities at a reduced cost.
- Maura Carroll noted a communication went out to VLCT members as an open invitation for municipal officials, staff and other municipal representatives to participate in an Equity Committee.

Upon motion (Fox/Storey) duly adopted, the board voted unanimously to congratulate both Aggie Elwell and Peggy Tucker for upcoming retirement and recognize their years of service and contributions to VLCT.

Fred Satink provided a brief renewal and new business update. PACIF retained 100% of its members for

2021. With respect to new business, two out of three members quoted have agreed to rejoin PACIF for 2021. Mr. Satink indicated he was optimistic that the third municipality will also agree to join, as our quote was very competitive. In addition, all reinsurance carriers have acknowledged binding of coverage for 2021. Guy Carpenter did indicate that Beazley would be stepping away from the public sector cyber liability business and therefore PACIF will need to seek other cyber reinsurance options for 2022. Beazley confirmed they will honor the contract in place for 2021.

Jeremiah Breer reviewed the 2021 Annual Addendum to the Administrative Support Services Agreement between PACIF and VLCT.

Upon motion (Storey/Higgins), duly adopted, the board voted unanimously to approve the 2021 VLCT Administrative Services Addendum and authorized the board President to sign.

Abby Friedman provided an overview of the 2020 services completed by the Municipal Assistance Center (MAC) and MAC's Service Proposal and Memorandum of Understanding for 2021. The pandemic created many challenges to MAC's traditional education methods this year, but different models were adopted such as webinars. In addition, a great deal of time was spent on consultation with members on rules and regulations surrounding COVID-19. Looking ahead, the assumption has been made that many of the trainings for 2021 will still be conducted remotely. The Board expressed its great appreciation to MAC and its employees for its assistance to members.

Upon motion (Cadwell/Storey), duly adopted, the board voted unanimously to approve the 2021 MAC service proposal as presented and authorized the board President to sign the 2021 Memorandum of Understanding.

Joe Damiata reviewed the results of the 2020 claims audit completed by Independent Consulting & Risk Management Services, LLC (ICRMS). This audit was conducted remotely, due to the COVID-19 pandemic, rather than in-person as is usually the case. The remote format created a number of communication and system usage challenges, that typically are easily resolved when the audit is done onsite. Staff believes these factors did adversely impact some of the auditor's findings and recommendations and staff is working on responding to each item in the reports.

Joe Damiata reviewed the Proposed 2021 PACIF Budget. A draft of this budget was reviewed at a prior meeting. Proposed budget expenditures are down by 3.9% compared to 2020. This is due to a slight decrease in reinsurance costs, administrative costs and a projected decrease in losses. Overall contributions are also down by 2.9% compared to 2020 due to the overall rate decreases. The budget does not include the \$50,000 which was allocated this year for a pilot program for first responder mental wellness services, as the program had little usage. Board members and staff discussed this issue, and all agreed the pandemic and other priorities may have been a factor in lack of interest in this pilot program for 2020. In the course of discussion, Director Moreland moved to add \$30,000 to the 2021 budget to fund law enforcement risk management focused services, with input from the Law Enforcement Advisory Committee (LEAC).

Upon motion (Moreland/Fox), duly adopted, the board voted to amend the 2021 Proposed PACIF budget to add \$30,000 for the purpose of providing law enforcement services, with guidance from the LEAC. The motion passed with twelve votes in favor and one against.

Upon motion (Fox/Higgins), duly adopted, the board voted to adopt the 2021 Proposed PACIF Budget as amended. The motion passed with twelve votes in favor and one against.

Joe Damiata briefly reviewed the list of Proposed 2021 Meeting dates and noted that there will also be an August 19 Budget Committee meeting which does not appear on this calendar.

Upon motion (Hurd/Higgins), duly adopted) the board voted unanimously to approve the Proposed 2021 Meeting Dates.

Under board governance, one Alternate position remains open, and staff provided nominations in the board's packet. Current Alternate, Rob Gaiotti, must be reappointed as his term expires at year-end.

Upon motion (Higgins/Moreland), duly adopted, the board voted unanimously to re-appoint Rob Gaiotti for another one-year term as Alternate to the board.

The board discussed the matter of the open Alternate position and decided they would prefer to leave the position vacant for the moment. They asked staff to solicit more nominations and bring the new slate back to the board in 2021.

Upon motion (Fox/Cadwell), duly adopted, the board voted unanimously to postpone the appointment of an additional board alternate until 2021.

With respect to the election of 2021 officers, Joshua Powers is the current board Secretary/Treasurer and will be retiring at year-end. Director Storey nominated Aaron Frank as the new Secretary/Treasurer.

Upon motion (Storey/Higgins), duly adopted, the board voted unanimously to elect Aaron Frank as Board Secretary/Treasurer.

Upon motion (Moreland/Higgins), duly adopted, the board voted unanimously to re-elect remaining officers as slated for 2021 as follows:

- President, Carl Rogers
- Vice President, Jackie Higgins.
- Executive Secretary, Maura Carroll
- Assistant Secretary, Fred Satink
- Assistant Treasurer, Joe Damiata

President Rogers was tasked with assigning committee members for 2021. Jeremiah Breer noted the Budget Advisory Committee does not appear on the list but is comprised of Carl Rogers and Jerry Storey. President Rogers noted all current committee appointments would remain the same with the following exceptions: Rob Gaiotti will be added to the Joint Investment Committee, and Joshua Powers will be removed from the Strategic Planning Committee due to his retirement.

Upon motion (Fox/Higgins), duly adopted, the board approved the 2021 committee appointments as presented by the Board President.

Mr. Damiata explained that staff is requesting funding from PACIF's net position to co-fund a technology consultant with VLCT. The consultant would assist staff in conducting an RFP to select one or more vendors that would be suitable to provide selected IT services for VLCT members. Given the challenge that technology poses for many members and the Fund's cyber reinsurance costs, staff believes this is an appropriate risk management investment. Staff estimates the total cost of these consulting services to be \$25,000, 80% of which (\$20,000) will be funded by PACIF, with the other 20% funded by VLCT.

Upon motion (Storey/Higgins), duly adopted, the board voted unanimously to approve up to \$20,000 of net position be used to hire a technology consultant to help VLCT build an RFP designed to select IT service vendors for VLCT members.

Mr. Damiata requested the board enter into Executive Session to discuss litigation.

Upon motion (Hurd/Cadwell), duly adopted, the board voted unanimously to enter into Executive Session at 11:47 a.m.

Upon motion (Hurd/Higgins), duly adopted, the board voted unanimously to leave Executive Session at 12:07 p.m.

In other business, President Carl Rogers and other members of the board and staff expressed profound appreciation to Director Joshua Powers for his 24 years of service to the PACIF Board. In his 24 years, Director Powers served as Secretary/Treasurer to the board from 2005 to present, served on the PACIF Marketing Committee from 1997 to 2008, and also chaired that committee for a number of years, and from 2008 to 2019 he also served on the PACIF Underwriting Committee. As a token of appreciation, the board is sending Director Powers a certificate acknowledging his service, a Vermont marble cheese board engraved with the VLCT logo and a \$150 gift card to Tractor Supply. Director Powers thanked the board for their kind words.

The meeting was adjourned at 12:15 p.m.

Respectfully submitted,  
Fred Satink  
Assistant Secretary

**Board or Committee:**

PACIF Board of Directors

**Board Meeting Date:**

Friday, December 11, 2020

**Resource Category:**

- Minutes
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