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PACIF Board of Directors Meeting Minutes 2021 02-12

**VLCT Property and Casualty Intermunicipal Fund (PACIF), Inc.
Board of Directors Meeting
Friday, February 12, 2021
Via GoToMeeting**

Minutes

Directors Present: Carl Rogers, Jackie Higgins, 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, Jill George, Jill Muhr, Jim Carrien, Trevor Whipple and Kelley Avery

Others present: Steve DiCenso and Julia Rosen (Milliman)

President Rogers called the meeting to order at 10:01 a.m.

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

Upon motion (Fox/Higgins) duly adopted, the board voted unanimously to approve the revised minutes of the December 11, 2020 meeting that were sent by staff via email prior to the meeting.

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

- Staff is conducting interviews for the new Senior Underwriter position and hope to have the position filled by March.
- Staff has had initial discussions with Travelers BoilerRe and is moving forward on a sensor technology pilot project as included in the Business Plan.
- Staff has also begun work on other Strategic Business Plan items including: an intern for PACIF, working with VLCT on employee retention, evaluating the potential to add other municipal classes of business, and succession planning.
- Staff is in the midst of the Enterprise Risk Management review process for 2021.

Mr. Damiata informed the board of the recent CATIC lawsuit against a group of municipal clerks has been

voluntarily dismissed with prejudice. He also reminded board members that the required Conflict of Interest Disclosure forms must be completed and returned to him as soon as possible.

Fred Satink provided a brief update on the 2021 PACIF renewal. With 100% retention and the addition of four new members for 2021, PACIF membership now stands at 355. The renewals revealed that we are competitively priced against the commercial marketplace.

Jill George reviewed the fourth quarter claims report. The year ended with claims still down considerably overall due to reduced municipal operations resulting from the pandemic. Through year-end there were no significant costs for COVID-19 related worker's comp (WC) claims. The board questioned whether staff has seen an increase in WC claims from those working from home and whether VLCT has considered releasing guidance to members regarding work-from-home best practices. Fred Satink noted that he was not aware of any WC claims associated with work-from-home, but advised that staff could issue or update guidance to members on this issue.

Upon motion (Cadwell/Higgins) duly adopted, the board voted unanimously to accept the Q4-2020 Claims Report.

Jeremiah Breer presented an informal preliminary summary of year-end financials. The audit is not yet completed, and final numbers will be presented at an upcoming meeting.

Jill Muhr, Jim Carrien and Trevor Whipple provided summaries to the board of their activities for 2020 and plans for 2021 for HR Consulting, Loss Control and Law Enforcement Consultation services, respectively. Although training and member support was largely provided remotely last year due to the pandemic, a few in-person visits were conducted prior to March of 2020. Despite the pandemic, these services were still heavily utilized with requests for VLCT expertise in the wake of new COVID-19 related regulations or mandates impacting state and federal employee benefits, model policies, best practices and safety and health protocols. Now that vaccines have become available, Mr. Whipple noted that PACIF is encouraging law enforcement personnel (and emergency responders) to get vaccinated, as COVID-19 was the number one cause of line of duty deaths in law enforcement in 2020. For 2021 staff will continue to support members remotely and will provide additional web-based training until such time that in-person visits are allowed.

Joe Damiata introduced Steve DiCenso and Julia Rosen of Milliman who reviewed the Actuarial Analysis of Loss and Loss Adjustment Expense Reserves Report as of December 31, 2020. Milliman's central reserve estimate for 2020 is at \$35,909,685, a reduction from the 2019 estimate of \$41,362,026.

Upon motion (Hurd/Higgins) duly adopted, the board voted unanimously to accept the Actuarial Analysis of Loss and Loss Adjustment Expense Reserves as of 12/31/20 with carried reserves at the central estimate of \$35,909,685.

Mr. Damiata updated the board on staff's exhaustive search for IT consultants to work with PACIF on an information systems analysis. Despite an extensive search process, only two suitable vendors were identified: Redhand Advisors and Celent. While both appeared capable in initial conversations, Celent's proposed costs were over budget and their experience was more focused on insurance companies. Conversely, Redhand has worked with multiple municipal risk pools and had proposed costs that fell within budget. As a result, staff requests permission from the board to move ahead with Redhand Advisors rather than pursue a full request for proposals process. After discussion, the board authorized staff to work with Redhand Advisors to develop a scope of work and enter into a contract for services.

Upon motion (Fox/Wells), duly adopted, the board authorized staff to hold direct negotiations (in lieu of issuing an RFP) and contract with Redhand Advisors for the desired IT consulting services.

At the December 11 meeting, the board requested staff solicit additional nominations from the members to fill the board alternate vacancy. Additional nominations were received and provided in the board packet. Staff is recommending the board choose an alternate to fill the vacancy. After a brief discussion, Director Storey nominated Bryan Young of Orwell, and the board agreed.

Upon motion (Storey/Frank), duly adopted, the board voted unanimously to appoint Bryan Young of Orwell as the new board Alternate.

Mr. Damiata briefly reviewed current legislation which could potentially impact PACIF:

- S.9 - This bill was signed into law (Act 2) and extends the sunset date of the workers' compensation COVID-19 presumption from January 15, 2021 to 30 days after the Governor's State of Emergency ends. PACIF did not take a position on this bill but has considered approaching the legislature about not having the presumption apply to employees who refuse the vaccine without good cause.
- H.117 - This bill would allow firefighters to screen for cancer at any point in their career. If there is no evidence of cancer, they would qualify for the presumption. The current statute requires firefighters to have a screening within two years of July 1, 2007 (the date the original bill became law). Staff does not plan to take a position on this bill.
- H.139 - This bill proposes to include employer contributions to health insurance in wages used to determine an injured worker's weekly benefit. The bill also prohibits an employer from terminating an employee that is out on workers' compensation. This bill would create a substantial administrative burden both for our members and claims adjusters. It may also increase insurance costs as higher indemnity payments will likely result. Member budgets may also be stressed as a result if positions need to be held open for injured claimants while hiring temporary staff or paying overtime to existing employees to complete required work. Staff will likely testify in opposition to this bill.

There was no other business.

Upon motion (Hurd/Storey), duly adopted, the board voted unanimously to adjourn the meeting (12: 04 p.m.).

Respectfully submitted,
Fred Satink,
Assistant Secretary

Board or Committee:

PACIF Board of Directors

Board/Committee Meeting Date:

Friday, February 12, 2021

Resource Category:

- Minutes
