

**MINUTES OF THE VLCT PROPERTY AND CASUALTY INTERMUNICIPAL FUND,  
INC. BOARD OF DIRECTORS MEETING  
FRIDAY, OCTOBER 14, 2016  
VLCT OFFICES, MONTPELIER, VERMONT**

Directors Present: Pat Scheidel, Joshua Powers, John Lawe, Carl Rogers, Brendan Whittaker, Stu Hurd, Mel Adams, Neal Fox, Aaron Frank, Pete Johnson, Jackie Higgins

Staff Present: Ken Canning, David Sichel, Maura Carroll, Joe Damiata, Jeremiah Breer, Jill George

The meeting was called to order by President Scheidel at 10:00 a.m.

**Upon motion (Frank/Powers) duly adopted, the Board voted unanimously to approve the agenda as presented.**

**Upon motion (Adams/Powers) duly adopted, the Board voted to approve the minutes from the September 30, 2016 meeting as presented (Frank abstained).**

Ken Canning presented the staff report.

- Provided a staffing update. Tonya Emmons has been hired as a Workers' Compensation Claim Representative. Stephanie Fleury has been hired as a Workers' Compensation Claim Representative Trainee
- Staff has attended/will attend AGRIP and NLC conferences.
- The NLC Mutual Insurance Company annual report was distributed to board members.
- PACIF has received notice of a federal lawsuit filed against the Town of Victory and others relating to a dog kennel operation.

Jeremiah Breer presented the second quarter financial report. Net Position increased by \$2.1 million primarily due to strong investment earnings.

**Upon motion (Rogers/Powers) duly adopted, the Board voted unanimously to accept the financial report.**

Jill George presented the second and third quarter claims report.

**Upon motion (Powers/Rogers) duly adopted, the Board voted unanimously to accept the claims report.**

Joe Damiata reviewed the 2017 Loss Reserve, Funding and Distribution Credit Analysis report prepared by Milliman. The full report was provided to the board. Their recommendation is for an average 1.0% (gross-net) rate increase at a 77% confidence level and a \$700,000 distribution to members. Proposed rates were "smoothed". The 77% confidence level used is higher than that used last year (70%).

**Upon motion (Johnson/Hurd) duly adopted, the Board voted unanimously to accept the actuarial report.**

Joe Damiata reviewed the proposed 2017 rates. The overall average gross-net rate increase is 1.0%. Workers' compensation rates are up by an average of 2.7% while property and casualty rates are down 1.7%.

**Upon motion (Hurd/Frank) duly adopted, the Board voted unanimously to approve the 2017 rates as proposed.**

Joe Damiata updated the board on the reinsurance renewals. Staff recommends renewing the reinsurance coverage as quoted. There will be some savings compared to last year's rates.

**Upon motion (Rogers/Powers) duly adopted, the Board voted unanimously to approve reinsurance renewal as proposed.**

Joe Damiata reviewed proposed changes to the Coverage Document for 2017.

**Upon motion (Whittaker/Hurd) duly adopted, the Board voted unanimously to approve the proposed changes to the 2017 Coverage Document.**

Ken Canning reviewed the proposed distribution credit to members for 2017. Staff is recommending a distribution credit of \$700,000 with \$500,000 as rate credits and \$200,000 to fund the safety grant program.

Joe Damiata reviewed the safety equipment grant program and the scholarship program.

The board discussed law enforcement risk management and police body cameras.

**A motion (Hurd/Rogers) was made to approve a distribution of \$700,000 to members for 2017. \$500,000 of the distribution will be allocated as contribution credits per the current distribution policy and \$200,000 of the distribution amount will be allocated to fund the PACIF safety equipment grant program.**

Brendan Whittaker proposed to amend the motion to "continue the policy of widely and appropriately publicize distribution credits and equipment grants". The amendment died due to the lack of a second.

Ken Canning reviewed how staff will publicize the distribution credits to members when renewals are mailed out.

**The original motion was unanimously adopted.**

John Lawe presented the report of the Joint Investment Committee. The committee met on September 9. The committee discussed investment results through the second quarter and proposed changes to the Investment Policy. The committee recommends that the board approve the proposed changes to the Investment Policy.

Jeremiah Breer reviewed the proposed changes to the Investment Policy. One additional change was added; on page 12 the words "comprised of" in the section relating to target allocation was changed to "limited to".

**Upon motion (Whittaker/Powers) duly adopted, the Board voted unanimously to approve the changes to the Investment Policy as amended.**

**Upon motion (Frank/Adams) duly adopted, the Board voted unanimously to accept the report of the Joint Investment Committee.**

Under Other Business Joe Damiata gave the board an overview of staff's effort to obtain quotes for cyber coverage, both first and third party, for PACIF members. Further information will be provided at a future meeting.

There was discussion of how VLCT "on-boards" new employees.

There was discussion of coverage for town clerks and how they address unusual voter registration requests. Coverage for emergency dispatchers was also discussed.

**Upon motion (Johnson/Hurd) duly adopted, the Board adjourned at 11:46 a.m.**

Respectfully submitted,

David Sichel  
Assistant Secretary