

# OSBA PACE Trust Meeting Minutes

## July 23, 2012

In attendance were PACE Trustees Vice-chair John Rexford, Phil Wentz, Marie Knight, Allen Bunch, Adam Stewart, Debbie Laszlo and Terry Lenchitsky; SDAO staff Frank Stratton, Geoff Sinclair, Mike Doherty, Scott Neufeld and Jens Jenson; OSBA staff Lisa Freiley, Tricia Yates, Joe Wehrli, Josie Hummert and Becky Gwynn.  
Guest attendees: Margaret Peterson, OSBA contracted publications specialist; Kevin Wick and Hyeji Kang of PricewaterhouseCoopers, LLP (PwC).

The meeting was called to order by Vice-chair John Rexford at 10:00 a.m. at the Riverhouse Hotel and Conference Center in Bend, Oregon.

### I. Action Items

#### A. Election of Chair and Vice-chair

**Terry Lenchitsky motioned, "I nominate John Rexford for PACE Chair." The motion was seconded by Adam Stewart.**

**The board voted on the motion and it passed unanimously.**

**Debbie Laszlo motioned, "I nominate Adam Stewart for PACE Vice-chair." The motion was seconded by Terry Lenchitsky.**

**The board voted on the motion and it passed unanimously.**

#### B. Approval of May 7, 2012 PACE Trustee meeting minutes

**Terry Lenchitsky motioned, "I move to approve the May 7, 2012 PACE Trustee meeting minutes." The motion was seconded by Adam Stewart.**

**The board voted on the motion and it passed unanimously.**

#### C. Acceptance of minutes

1. May 4, 2012, Evaluation Committee conference call minutes
2. May 21, 2012, Evaluation Committee meeting minutes

**Allen Bunch motioned, "I move to accept the May 4, 2012, Evaluation Committee conference call minutes and May 21, 2012, Evaluation Committee meeting minutes as presented." The motion was seconded by Adam Stewart.**

**The board voted on the motion and it passed unanimously.**

### II. Presentations & Written Reports

#### A. Year-end Financial Report Projections (EXHIBIT A)

Mike Doherty noted the handout for review. The trustees discussed renewal costs, claims causing trends and how to communicate action and information to the members.

#### B. Surplus/retained earnings/targeted equity model (EXHIBIT B)

Guest speakers Kevin Wick and Hyeji Kang of PricewaterhouseCoopers, LLP (PwC) provided a presentation to the board on "Assessing Economic Funding Needs". Kevin noted \$50,000 would be the initial cost of the study. Additional fees, approximately 50-60% of the original study, would incur every 3-5 years for study updates. The board was encouraged by the presentation agreeing that this would be a valuable tool for the trustees, members and staff.

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Adam Stewart motioned, "I move PACE accept and proceed with the PricewaterhouseCoopers, LLP study as proposed." The motion was seconded by Terry Lenchitsky.

The board voted on the motion and it passed unanimously.

\*\*Kevin Wick and Hyeji Kang exited the meeting at 10:29 a.m.\*\*

### C. Investment Report

Lisa Freiley noted the West Coast Trust documents in the packet. Lisa shared OSBA's work regarding current investments and investment policies. The OSBA Board of Directors' voted to approve the revised investment policies on July 19, 2012. Once the policy updates are complete internally staff will forward a copy to the trustees for review.

Frank Stratton noted SDAO recently went through a similar process. It was agreed that SDAO and OSBA staff would meet to discuss process and ensure the best decision is made on behalf of the trust and its members.

### D. PACE Pre-Loss

Lisa noted that the Legal team is continuing to improve viability of legal services within the membership and have seen an increase in call volume.

### E. PACE Workshops

Lisa noted that the Legal team is currently scheduling workshops for August and September.

### F. PACE Communications and Marketing

Tricia Yates, OSBA's Communications Services Director, shared the work being done on behalf of PACE in the Communications department. Tricia noted the back-end technical work to update the PACE website, including a link to PACE on OSBA's homepage. Currently working to update all of PACE's materials, while continuing to research and develop a two-year PACE marketing plan. Tricia introduced Margaret Peterson as OSBA's contracted publications specialist.

Margaret Peterson provided the trustees with the current data obtained from the member survey noting the top three responses from the membership included: helpful, responsive and professional. Margaret also noted the overwhelmingly positive response from members regarding participation in a "PACE Day".

### G. Renewal Update

Mike Doherty referenced his report in the packet noting that PACE has added 2-3 small charter schools to the membership for 2012-2013.

### H. Loss Control Report

Scott Neufeld provided the trust with an overview of his report noting that SafeSchools is still heavily discussed in the membership and requests for more education regarding inappropriate behavior continues to be necessary. Staff is researching national education programs to assist in decreasing claims. NSBA has invited Scott to present at an NSBA conference in December, he shared his excitement of the possible opportunity with the trustees.

### I. Service Evaluation Instrument

#### 1. Discussion of Evaluation Instrument (EXHIBIT D)

Allen Bunch provided the trustees with a brief overview of the Evaluation Committee's process

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in reviewing the current evaluation instrument. The committee is proposing an informal evaluation of staff every two years and a formal evaluation every three years. The two years of informal evaluation would be a short narrative provided by staff and would be included as an agenda item for board discussion. The third year evaluation would include more formalized evaluation tools. Allen noted an annual development plan would provide consistency at the board level in the evaluation process.

Lisa Freiley provided the board with drafts of the document for review, noting the evaluation section had not been completed or finalized at this time. (EXHIBIT E)

John Rexford requested Allen continue working with staff to formalize the evaluation instrument. Allen agreed confirming all changes will be brought back to the trustees for approval October 1, 2012.

### J. Claims Report

Geoff Sinclair provided a brief update to the trustees on the large outstanding claims related to Woodburn High School and Springfield School District.

Chair John Rexford recessed the meeting for lunch at 12:03 p.m.

Chair John Rexford reconvened the meeting at 12:44 p.m.

### K. Business Plan (EXHIBIT F)

Joe Wehrli, OSBA Board Development Director, facilitated the trustees in reworking their 5-year business plan.

#### Goals:

- 1) Review Business Plan
- 2) Make Recommendations
- 3) Determine Next Step

#### Flip charts:

##### Sales & Marketing

- Add New
- Retention

##### Financial Plan - Earnings/Cost

##### Understanding Plan - Financial Health

##### Loss Control - Crisis Management

##### Education & Training - Market Driven

##### Claims Management - Customer Fair

##### Administrative Plan - Service Agreements

#### **STRENGTHS:**

Reputation among members

Seen as a resource

Great service/economical

Value added/safety

Claim process

Depth of organization SDAO/OSBA

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Low administrative costs  
Lack of competition

### **WEAKNESSES:**

Limited experience  
Customers focused on education vs. business  
Lack of competition  
Member-relationship with each other  
Lack of member awareness of PACE

### **OPPORTUNITIES:**

Lack of competition  
Service partnerships  
Service quality  
Improving expertise of staff - cohesiveness of OSBA/SDAO  
Legislation/policy/trust documents  
Deferred maintenance  
Customer knowledge

### **THREATS:**

Viewed as a commodity  
Lack of competition  
Meeting all needs  
CC/ESD/K-12  
Limited customer base  
Cost justification  
Contractor costs  
Risk to customer service

#### Limited Experience

- Professional development - Nationally and locally
  - Send Trustees to AGRiP, PRIMA
  - Bringing that knowledge back and helping to educate others/reporting out
- Continuity in Board leadership - "mentor", memorialize decisions/service providers
- Do we need a policy on that?
- Obtaining benchmarks from outside sources
- Legislative - focus - PACE - (report from staff?)

#### Customer Focus - Education vs. Risk Management

- Out of control - decision making
  - Are we getting the right message to the right people?
  - Agent education
  - Risk management certification/rate incentives
- Board member education

#### Member Relationships with Each Other (CC/ESD/K-12/Charter)

- PACE Day
  - Other events tie in

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- Communication of the DATA/claims/costs/exposure/pricing
- Website/newsletter

### “FINAL THOUGHTS”

- SDAO provided a list to assist the board with ideas and would like feedback (pg. 122 of packet)
- We are staff dependent

Lisa Freiley noted that OSBA and SDAO staff will meet to review, recommend and compose a draft document. The proposed document will be presented to the PACE trustees at the October 1, 2012 meeting.

### L. PACE Day

Frank Stratton shared an update with the trustees for the one-day event scheduled for April 2013. PACE will cover the cost of one registration and hotel reservation for one member per district. The conference will highlight what PACE is, provide workshops on educational topics and will be coordinated with SDAO's annual agent conference to enhance agent attendance and interest. A national speaker has volunteered to come speak to the attendees on school violence. Staff continues to plan and will provide more information as it is available.

### M. Upcoming Workshops for Trustees

1. August 6-8, 2012, AGRiP Institute for Management & Leadership, Colorado Springs, CO
2. October 10-12, 2012, Oregon PRIMA, Bend, OR
3. October 15-17, 2012, AGRiP Governance & Leadership Conference, Newport Beach, CA
4. November 5-7, 2012, PRIMA Institute, Charlotte, NC

Lisa Freiley introduced the upcoming events to the trustees; noting that money is available in the budget for professional development. John Rexford encouraged the trustees to make themselves available for training as it is worthwhile in both time and education.

### III. Future Business Items

John Rexford noted the agenda items for the October 1, 2012 PACE Trustee meeting:

- 1) Draft of the revised 5-year business plan.
- 2) Final results of the member survey for creating a draft communications marketing plan.
- 3) Follow-up report from the Evaluation Committee with a draft evaluation instrument.
- 4) New service agreements from SDAO and OSBA.

John reminded the trustees of the October 1, 2012 claims committee meeting at 8:30 a.m. at the Local Government Center in Salem, OR. The trustees inquired to the members of the claims committee. Phil Wentz noted Ryan Massey, Risk Manager of the Eugene School District may be a candidate for the claims committee.

Chair John Rexford adjourned the meeting at 2:02 p.m.