

OSBA PACE Trust Meeting Minutes

October 1, 2012

Local Government Center, 1201 Court St. NE
Monday, October 1, 2012

Salem, Oregon

In attendance: **PACE Trustees** Chair John Rexford, Terry Lenchitsky, Mike Schofield, Allen Bunch, Marie Knight, Phil Wentz, Debbie Laszlo, Marie Knight and Phil Long; **SDAO staff** Frank Stratton, Scott Neufeld, Mike Doherty and Geoff Sinclair; **OSBA staff** Lonh Hoklin, Josie Hummert, Tricia Yates and Becky Gwynn.

Guest attendees: Margaret Peterson, OSBA contracted publications specialist.

The meeting was called to order by Chair John Rexford at 10:00 a.m.

I. Welcome and introductions

Meeting attendees went around the table and introduced themselves and their positions. John Rexford welcomed Phil Long and Mike Schofield as new PACE Trustee members.

II. Action Items

A. Approval of July 23, 2012 PACE meeting minutes

Motion: Terry Lenchitsky moved to approve the July 23, 2012 PACE meeting minutes as presented; seconded by Phil Wentz.

The board voted on the motion and it passed unanimously.

III. Presentations & written reports

A. Review of underwriting manual

Frank Stratton identified the underwriting manual in the packet for the board to approve. Frank noted that other than updates and clarification in areas without clear instruction, no material changes have been made.

Due to the size of the manual, John requested staff bring this item back in December after the board has sufficient time to review the document in its entirety.

****Lisa Freiley, OSBA staff, entered the meeting at 10:14 a.m.****

B. Marketing update

Tricia Yates introduced herself as Director of the the OSBA Communications department and her staff; Lonh Hoklin, Josie Hummert and OSBA contracted publications specialist Margaret Peterson. Tricia directed the Trustees to the 2012-2014 marketing plan included in their packet before handing the discussion over to Margaret.

Margaret Peterson introduced herself and her role as a contracted consultant with OSBA and PACE. She provided the board with an overview of the process she and the communications team have worked through to create the 2012-2014 marketing plan. Margaret identified the top three descriptive words that the members used to describe PACE: helpful, responsive and professional. These descriptors helped the team to create a theme for this year's marketing plan, "How PACE can save organizations time and money while providing fast, effective and reliable service." Margaret encouraged the board members to be involved and participate in the 2013 "PACE day".

****Adam Stewart, Vice-chair, entered the meeting at 10:22 a.m.****

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Tricia highlighted some of the primary action items, sharing her enthusiasm with the Trustees. Frank made the comment that this will create member awareness; PACE is member-owned and member-driven. John recommended utilizing past claimant districts as testimonials for our outstanding service; Glide High School, South Coast, Enterprise and Vernonia.

****Margaret Peterson, OSBA contracted publications specialist, exited the meeting at 10:30 a.m.****

C. Loss control report

Scott Neufeld provided a brief update on loss control; highlighting board member, Terry Lenchitsky's involvement in training. Scott shared his invitation to provide PACE training on concussions at the National School Boards 2013 Annual Convention in San Diego, California. Jens Jensen and Scott co-presented at the Athletic Trainers Safety Summit in Eugene. Scott noted that he anticipates this to be an annual invitation and will help with spreading the word about PACE.

D. SafeSchools Program update

Scott shared that for 2012 SafeSchools training participation has increased over last year. Approximately a third of the membership currently participate in these trainings. It was noted several districts have opted out of participation until PACE commits to a longer contract with SafeSchools. The trustees shared their appreciation for the program and provided personal testimony to its effectiveness.

E. Pre-loss update

Lisa Freiley presented the pre-loss report to the board noting additional activity in the legal department due to more awareness in the membership of the available services. Geoff Sinclair mentioned that if the member does not contact pre-loss prior to taking action PACE penalizes the district with a \$5,000 fee. The legal department has started assigning staff to specific days of pre-loss coverage to ensure the service response time is quick and efficient.

Phil Wentz inquired of the possibility to provide simple preliminary audits that a school can participate in to review their compliance regarding Title 9.

The board had some discussion regarding Title 9 audits. Lisa commented that these audits can be very complex and data driven therefore providing preliminary audit review ineffective. Lisa encouraged the trustees to look for specific red flags: participation rates, facilities and balance of participation opportunities.

F. Workshop update

Lisa shared that August and September are busy months for training with new and returning staff starting back to work. The legal team is currently working on an OFLA/FMLA workshop to be held in Central, Oregon and Lane County. The team is encouraging training attendance. Many of the beginning of the year topics relate to sexual misconduct and employment practices. The hope is that we will ultimately see a lowering in the claims received by providing these trainings.

Allen Bunch asked Lisa what dollar amount PACE budgeted for training this year. Lisa will report back to the Trustees with specifics before the next meeting.

Chair John Rexford led the board into Executive Session at 10:52 a.m.

ENTERED EXECUTIVE SESSION

ORS 192.660(2)(f) - "To consider information or records exempt by law from public inspection."

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G. Claims report

LEAVE EXECUTIVE SESSION

Chair John Rexford reconvened the public meeting at 11:34 a.m.

H. Financial report

Mike Doherty presented the 2011-2012 audited financial statement to the Trustees. Mike identified the outstanding \$1,500,000 in PACT liability and the ULAE liability set aside in case PACE dissolves all outstanding claims will be paid. Mike explained the trending financial chart provided in packet to the Trustees for clarification.

I. Investment update

Lisa directed the board to the investment summary provided by Brent Peterson of RBC Wealth. Lisa shared the investment history of OSBA with the board and how in 2012 OSBA underwent extensive legal review of its governing investment policy to determine OSBA's investment options. The review resulted in confirming that OSBA may invest in equities as well as bonds. Equity investments tend to be over a longer period with higher yields. The opinion was presented to the OSBA board and the board approved updating OSBA's investment policy. The question was asked if there is a different opinion for PACE. Lisa sent the governing documents to outside council and the net result answer to that question is no. We can proceed with investing differently.

There was one area the attorneys mentioned in the trust bylaws that states that if the trust ceases to do business the money returns to the school districts. The attorney did not find this language determinative of the issue but removing that language would result in less of an argument compliant with ORS 294 for purposes of the investment procedures. Staff's interpretation of this opinion is that it is not a requirement to remove the language, simply a recommendation. Discussion regarding this policy should be re-visited prior to renewals in 2013.

Lisa stated that if the Trustees have no objections staff will begin investing as per OSBA's policy. OSBA has already started to see the return on making these investment changes.

John asked Mike if SDAO's investment policy was similar to that of OSBA's or more conservative. Mike confirmed that the investment policies are very similar; minor differences.

The Trustees agreed that this would be a benefit and agreed to invest as Lisa had described. John noted that moving forward the investment summary only needs to be provided quarterly to the Trustees.

Chair John Rexford recessed the board for lunch at 11:57 a.m.

Chair John Rexford reconvened the meeting at 12:32 p.m.

J. 2012-2015 Business plan

Lisa Freiley and Frank Stratton are working together to draft a business plan after their discussions with Allen Bunch. The goal is to create a living tangible document. The draft will be a three-year operating plan that coincides with the service contracts and annual evaluation. Annually staff will review and determine how tasks are being met. At the end of the three-years PACE Trustees will evaluate staff on how staff met the goals presented and if the Trust would like to re-sign the contract agreement for another three years. Staff are still finalizing the document and are preparing to present it to the Trustees at the December 3, 2012 meeting for

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adoption. Staff would appreciate any input from the board.

Allen has requested a narrative from staff regarding this year's activities. He would like to have this process in writing for continued review. John confirmed his approval stating, "The more memorialized in policy and procedure the better we handle our business and make it through the hard economical times."

IV. New Business

A. New PACE Trustees

Lisa introduced the new Trustees, Mike Schofield, Phil Long and returning Trustee Phil Wentz. The OSBA board has approved all three appointments.

B. Review and approve new service agreements

Lisa noted the strikeout, underline and redline changes for the board to review. In past OSBA has not had an insurance requirement clause therefore it was added with this renewal. Lisa will provide the board with certificates of insurance once she receives them.

Frank confirmed that most of the changes to the SDAO service agreement were updates to dates. The evaluation section was removed and replaced with something that will be easier to administer and present in policy rather than contract language. The OSBA and SDAO agreements should be consistent. SDAO self-insures therefore the service agreement includes language that confirms the requirement of self-insuring.

Allen recommended the board review these agreements annually to ensure all areas remain updated. He thanked both Lisa and Frank for their hard work in this process, it was greatly appreciated.

C. Discussion of process for getting legislative concepts to OSBA

The board had discussion and the consensus of the board was as follows:

- All PACE Trustees would be included in future OSBA communications
- If staff and/or Trustee determine a legislative issue needs the Trustees decisions they will initiate through email and can determine if additional conversations are needed.

D. Discussion of methods for addressing training and development of trustees

Lisa reminded the Trustees that this was an item included on the PACE list of opportunities. Lisa asked what they are willing to do to pursue training opportunities as they are made available.

The board discussed options for training; board member mentor program, conference attendance and partnering with other pools for additional development opportunities. The Trustees agreed having additional training included with their quarterly meeting would be beneficial and they would continue to support and promote conference attendance with board members.

V. Future business items

Agenda items for the December meeting will include:

- Approval of the underwriting manual
- Legislative issues
- PriceWaterhouse Cooper update
- Actuary report
- Audit report
- Evaluation process approval
- Next meeting will be held Monday, December 3, 2012 at the Local Government Center in Salem, Oregon.

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Chair John Rexford adjourned the meeting at 1:20 p.m.

The PACE Trustees approved the October 1, 2012, meeting minutes on _____.

John Rexford, Chair

Date

Lisa Freiley, Director of Legal, Labor and PACE Services

Date

Transcribed by:

Becky Gwynn;
Operations Specialist/Legislative Services Assistant

Date