

TUESDAY, DECEMBER 2, 2014

Hilton Hotel, 66 E 6th Ave., Eugene, OR 97401; Room Studio BC

PACE Trustee members in attendance at meeting start: Phil Wentz, Tigard-Tualatin 23J Facilities Manager; Mike Schofield, Gresham-Barlow 10 Chief Financial Officer; John Rexford, High Desert ESD Superintendent; Brett Yancey, Springfield Public Schools Director of Business Operations, Adam Stewart, Hillsboro 1J Chief Financial Officer, Marie Knight, Vernonia 47J Fiscal Assistant, Debbie Laszlo, Redmond 2J Regional Risk/Benefits Manager, Sharla Andresen, Central Oregon Community College Director of Contracts & Risk.

SDAO staff in attendance at meeting start: Frank Stratton, Executive Director; Mike Doherty, Chief Financial Officer; Geoff Sinclair, Director of Claims Services; Scott Neufeld, Director of Loss Control; and Jens Jensen, Property and Casualty Claims Manager.

OSBA staff in attendance at meeting start: Betsy Miller-Jones, Executive Director; Tricia Yates, Director of Communications; Mike Robison, Director of Finance; Lisa Freiley, Director Labor and PACE Services; and Pamela Mullen, Labor & PACE Services Assistant.

Guest Speakers in attendance at meeting start: Kevin Wick, PwC & James Marta, James Marta & Company Certified Accountants

Chair Adam Stewart called the meeting to order at 1:00 p.m.

- I. Introductions
- II. Action items
 - A. Approval of September 29, 2014 minutes
 - B. Approval of October 13, 2014 minutes

Motion: John Rexford moved approval of the September 29 and October 13, 2014 PACE meeting minutes as presented. Seconded by Phil Wentz.

The board voted on the motion and it passed unanimously.

III. Consent Agenda - **ACTION**

Sample Motion: "I move approval of the consent agenda."

Requires a second and a vote but NO discussion of items on the consent agenda. If a board member wishes to discuss an item they should ask to have the item removed from the consent agenda and it will be taken up separately directly after the consent agenda.

- A. Finance Report
- B. Investment Update
- C. Pre-loss report
- D. Risk Management
- E. Training report

F. Communications report

Motion: John Rexford moved approval of the Consent Agenda as presented. Seconded by Phil Wentz.

The board voted on the motion and it passed unanimously.

III. Presentations & Written Reports

A. Actuary Report - *Mike Doherty/Kevin Wick PwC*

Kevin Wick of PricewaterhouseCoopers (PwC), facilitated a PowerPoint presentation, "Actuary Review as of June 30, 2014. One of the purposes of the Actuary is to help provide guidance to the Trustees as to the level of reserves which should be maintained. As a new program we expected growth but now we are seeing it settle to a more stable rate and this stability can be seen in the slowing of the loss experience so the estimates have been modified to reflect this favorable adjustment.

Financial risk of the pool fit into four broad categories:

- Reserving
- Underwriting
- Asset/credit
- Operational

Reserves went from \$12.2M to \$24.4M. Increase in the funding target is due to increases in asset risk (40% equity investment) and reserving risk. Investment portfolio PACE went from 17% equity to 40% e.g. more risk means more capital charges. We have made progress toward the goal but still have not hit the target funding.

B. Audit Presentation - *Mike Doherty/James Marta*

James Marta, CPA, ARPM at James Marta & Company Certified Accountants, introduced himself to the PACE trustees. James presented a PowerPoint presentation, Property and Casualty Coverage for Education Financial Statements with Independent Auditor's Report for the Fiscal Year Ended June 30, 2014 and 2013. James states that the financial statements were presented fairly, in all material respects (see Opinion) page 63 of the handouts. Accounting method is consistent with prior years. No adjustments to the financial statements; PACE continues to be in a good financial position.

Mike Schofield exits the meeting at 1:55 p.m.

James Marta exits the meeting at 2:00 p.m.

Kevin Wick exits the meeting at 2:00 p.m.

The group had a break for five (5) minutes at 2:00 p.m. and reconvened at 2:05 p.m.

Chair Adam Stewart led the Board into Executive Session at 2:05 p.m.

C. ENTERED EXECUTIVE SESSION- ORS 192.660(2)(f) Claims Report -
Geoff Sinclair
“To consider information or records exempt by law from public inspection.”
Claims Report

LEAVE EXECUTIVE SESSION

***Chair Adam Stewart reconvened the public meeting at 2:47 p.m. ***

D. PACE Day Update - *Lisa Freiley*
April 24, 2015 @ Hilton - Eugene, OR
Things are moving along according to schedule.
Safety Award applications. The following Trustees volunteered:

- Phil Wentz
- Debbie Laszlo
- Marie Knight

E. Safe Colleges - *Lisa Freiley/Scott Neufeld*
Safe Colleges are not eligible for the premium reduction that K-12's and ESD's will be receiving in 2015-16 because they are not covered by the same laws. Staff are working on creating a Toolkit for the CC's; that will focus on Mandatory Reporting and the SaVE Act (which is an amendment to the "Cleary Act"). Focus will be, reporting and safety of college campus'.

F. Brown & Brown Disclosure Letter - *Lisa Freiley*
See letter included in your packet (page 158) which was our response to members who had Brown & Brown as their agent. The idea was to reassure our members this is standard protocol.

G. Evaluation Committee Update - *Phil Wentz, Marie Knight & Adam Stewart*
Adam Stewart stated that the Committee has some homework to do and will have an update for the Trustees at the March 2, 2015 meeting.

H. Trustee Training

- March 8-11, 2015 - AGRiP - 2015 Spring Governance & Leadership Conference, Las Vegas, NV
 - The following Trustees want to attend AGRiP
 - Sharla Andresen
 - Adam Stewart
 - John Rexford
 - Brett Yancey
 - Mike Schofield
 - Staff attending
 - Lisa Freiley
 - Mike Robison
 - Geoff Sinclair

- March 9-12, 2015 - GOSH, Portland, OR
 - Phil Wentz wanted to encourage people to attend. Great conference.
- June 7-10, 2015 - PRIMA Annual Conference, George Brown Convention Center, Houston, TX

IV New Business

Phil Wentz had a question on compliance on Boundary Invasion; *Scott Neufeld* reported that approximately two (2) dozen of our members have met all seven (7) criteria. We have ten (10) left to schedule.

I Love You Guys Training - **ACTION**

Lisa Freiley updated the group; we've had a very strong response and a number of requests for more training. Suggest two (2) more K-12's and one (1) more CC. *John Michael Keys* said he we do the additional trainings for a flat fee of \$10,000. We are requesting the Trustees approve these funds for some additional "I Love you Guys Training".

Motion: John Rexford moved approval of the funds as presented. Seconded by Phil Wentz.

The board voted on the motion and it passed unanimously.

VI. Future Business Items

A. Next Meeting Date - March 2, 2015

Chair Adam Stewart adjourned the meeting at 5:00 p.m.