

MONDAY, DECEMBER 7, 2015

1201 Court St. NE, Ste. 400, Salem, OR 97301; Room 427

PACE Trustee members in attendance at meeting start: Phil Wentz, Tigard-Tualatin 23J Facilities Manager; John Rexford, High Desert ESD Superintendent; Brett Yancey, Springfield Public Schools Director of Business Operations; Debbie Laszlo, Redmond 2J Regional Risk/Benefits Manager; Craig Prewitt, Phoenix-Talent 4 Board Chair; Marie Knight, Vernonia 47J Fiscal Assistant; Sharla Andresen, Central Oregon Community College Director of Contracts & Risk

PACE Trustee members absent at meeting start: Adam Stewart, Hillsboro 1J Chief Financial Officer; Mike Schofield, Gresham-Barlow 10 Chief Financial Officer

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, Staff Counsel / Director, PACE Administration; Rachel Fleenor, Marketing-Communications & Social Media Consultant; Alex Pulaski, Communications Specialist; Pamela Mullen, PACE Administration Assistant.

Guest in attendance at meeting start: Kevin Wick, PwC; James Marta, James Marta & Company Certified Accountants and Greg Coffey, Russell Investments

Chair Phil Wentz called the meeting to order at 10:00 a.m.

- I. Introductions
- II. Action items
 - A. Approval of **September 28, 2015** minutes- **ACTION**

Motion: John Rexford moved approval of the September 28, 2015 PACE meeting minutes as presented. Seconded by Mike Schofield.

The board voted on the motion and it passed unanimously.

III. Presentations and written reports

- A. Actuary Report – *Kevin Wick*
Kevin Wick updated the Trustees on its actuary, PricewaterHouseCoopers. Overall reserve levels have increased by \$3.6 million as of June 30, 2015. Estimates of current losses have also decreased by approximately \$1.8 million due to favorable experiences with general liability claims. While an increase in the funding target went up with the implementation of the investment policy due to the addition of equity investments, PACE is still on track to achieve target funding levels within the timelines established by trustees.
- B. Audit Report - *James Marta, James Marta, CPA*
James Marta updated the trustees on its 2014-15 annual financial audit. PACE financials reflect increases in member contribution; as well as an increase in operations and insurance claims expenses. Total assets increased by \$9.3M with 6% of that increase; \$6.8M adding to the equity. The auditor stated PACE's financial statements fairly present PACE's financial position. No items were discovered which required a management letter to administration or to the trustees.
- C. Investment Update - *Greg Coffey, Russell Investments*
Trustees heard a report from Russell Investments representative, Greg Coffey on the investments held by PACE. Greg also did an educational piece on the economic and market outlook for the coming year.
- D. Financial Report - *Mike Doherty*
Mike Doherty updated the Trustees on the Financials through September 30, 2015. The claims and investment return graphs include activity through October 31st. Mike then gave a brief update on PACE's financial activity since October 31st, while property claims are trending lower than expected, interest earnings are also lower than anticipated. PACES's reinsurance cost came in below budget. General Liability claims for 2014-15 increased; PACE experienced a reduction in 2007-08 General Liability offsetting the increase in 2014-15. He updated the Trustees of the PACE Equity year accounting.

***Alex Pulaski enters the meeting at 11:00 a.m.**

- E. Communications Report - *Tricia Yates/ Alex Pulaski*
Tricia Yates directed the Trustees to the Communication report in their packet. She reviewed the departments marketing activities since last meeting. Alex Pulaski then reviewed the events of the UCC tragedy with the Trustees and the processes in which OSBA helped the UCC staff through this difficult event.
- F. PACE Pre-Loss Report - *Kate Wilkinson*

Kate Wilkinson directed the Trustees to the Pre-loss report in their packet and the 2014 & 2015 service levels for comparison. She noted that contact from members is up from 639 in contacts in 2014 to 678 in contacts in 2015. The numbers of contacts related to discipline is also increasing. We are averaging about 8 contacts a day and those contacts vary in length of time from minutes to hours per contact.

***Betsy Miller-Jones exits the meeting at 12:00 p.m. ***

***Alex Pulaski exits the meeting at 12:00 p.m. ***

***Tricia Yates exits the meeting at 12:00 p.m. ***

***Break for lunch at 12:15 p.m. ***

***Reconvened meeting at 12:45 p.m. ***

G. Risk Management Report - *Scott Neufeld*

Scott Neufeld updated the Trustees on members SafeSchools use this year stating that we have 12,000 more people taking classes and over 50,000 more trainings being completed. Brian Wolfe has completed the CPI (Seclusion and Restraint) training and he has already had 2-3 requests for the free training. Scott also discussed the possibility of the Governor's Task Force proceeding with a statewide Safe Alert tip line program.

H. Training Report - *Lisa Freiley*

In Steve Kelley's absence, Lisa Freiley discussed the past and upcoming trainings the Board Development group have been and will provide to our members. Lisa also, discussed the PACE Trainer staff opening and perhaps we might find a few retired administrators with experience in the areas HR and Risk Management that might be interested in this position. Lisa requested feedback from the PACE Trustees on possible candidates.

Chair Phil Wentz calls the meeting into "Executive Session" 1:20 p.m.

IV. In Executive Session - ORS 192.66(2)(f) Claims Report

Chair Phil Wentz call the meeting back to regular session at 2:45 p.m.

***Betsy Miller-Jones exits the meeting at 2:45 p.m. ***

V. Greater Albany Public Schools - April 1st Structure Fire - Request for time extension to **October 1, 2016** - *Geoff Sinclair* - **ACTION / APPROVAL**

- X.E.2 Professional Services

Motion: Craig Prewitt moved approval of the time extension by 180 days as presented. Seconded by John Rexford.

- XI.B.3 Extra Expense Incurred

Motion: Craig Prewitt moved *NO ACTION* on the Extra Expense Incurred as presented until next meeting on February 29, 2016. Seconded by John Rexford.

VI. PACE Day Update - *Lisa Freiley*

Lisa Freiley updated the Trustees on the planning of PACE Day. The agenda has been finalized and will include topics related to: cyber liability, marijuana in the workplace, responding to transgender issues in schools and how to conduct effective investigations. She highly recommended Trustees attend PACE Day to learn about school safety and liability issues.

VII. Evaluation Committee Update - *Phil Wentz, Sharla Andresen, Craig Prewitt*

Phil Wentz updated the Trustees that their report found that services being provided by both OSBA and SDAO were excellent. Both organizations continue to work collaboratively and the result is superior insurance coverage, claims services, risk management and financial oversight to PACE members.

VIII. Trustee Training Opportunities

A. Upcoming workshops for Trustees

- March 6-8, 2016, AGRiP Conference - Nashville, Tennessee
- April 21, 2016, PACE Day, Eugene, Oregon
- June 5-8, 2016, PRIMA Annual Conference, Atlanta, Georgia

IV. New Business Items - PACE Trust Agreement & Bylaws - *Lisa Freiley*

Lisa Freiley discussed the issues with our current Trust agreement:

- Any changes will be made with the goal to maintain our coverage under the exemption for self-insured pool.

One very demonstrative way to further this goal is to have our members sign a Joinder Agreement with renewal this year.

The other change Lisa recommended was adding a Dispute Resolution process.

***Phil Wentz exits the meeting at 3:04 p.m. ***

VII. Future Business

- A. Next meeting: February 29, 2016 Northwest Viticulture Center
215 Doaks Ferry Rd., NW, Salem, OR

Trustee John Rexford adjourned the meeting at 3:06 p.m.