

TUESDAY, JULY 26, 2016

High Desert ESD, 2804 SW 6th St., Redmond, OR 97756 (*Board Room*)

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*; Marie Knight, *Vernonia 47J Fiscal Assistant*; Craig Prewitt, *Phoenix-Talent 4 Board Chair and Office* and Mike Schofield, *Gresham-Barlow 10 Chief Financial Officer*.

PACE Trustee members absent at meeting start: Adam Stewart, *Hillsboro 1J Chief Financial*; 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 Risk Management*; Kevin Pardy, *Underwriter* and Jens Jensen, *Property and Casualty Claims Manager*.

OSBA staff in attendance at meeting start: Tricia Yates, *Director of Communications*; Mike Robison, *Director of Finance*; Lisa Freiley, *Staff Counsel / PACE Administration*; Rachel Fleenor, *Marketing-Communications & Social Media Consultant*; Steve Kelley, *Director of Board Development*; Kate Wilkinson, *Director of Litigation*; Rachel Fleenor, *Marketing-Communications & Social Media Consultant*; Alex Pulaski, *Interim Director of Communications*; Haley Purcell, *Litigation Services Attorney* and Pamela Mullen, *PACE Administration Assistant*.

OSBA staff absent at meeting start: Betsy Miller-Jones, *Executive Director*.

Guest in attendance at meeting start: Bob Ringer, *SDAO Risk Management Consultant*.

Chair Phil Wentz called the meeting to order at 12:00 p.m.

I. Welcome & Introductions

II. **Action Items**

A. Election of Chair and Vice Chair - **ACTION**
New Chair: Phil Wentz

Motion: Brett Yancey moved approval of the Phil Wentz, to continue as Chair for PACE. Seconded by Mike Schofield.

The board voted on the motion and it passed unanimously.

B. **New Vice Chair:** Debbie Laszlo

Motion: Brett Yancey moved approval of the Debbie Laszlo, to continue as Vice Chair for PACE. Seconded by John Rexford.

The board voted on the motion and it passed unanimously.

C. Approval of April 20, 2016 minutes- ACTION

Motion: John Rexford moved approval of the April 20, 2016 PACE meeting minutes as presented. Seconded by Craig Prewitt.

The board voted on the motion and it passed unanimously.

III. Presentations & Written Reports

A. Finance Update - *Mike Doherty*

PACE program had another very successful year both for the liability program as well as the property program. Retained earnings will increase by an estimated \$6.9 million which brings total retained earnings to \$38.2 million.

B. Investment Update - *Mike Robison*

Since inception with Russell, the portfolio has generated a 4.1% return. Equity market returns have been lackluster over the fiscal year as global growth concerns mounted.

C. PACE Pre-loss Report-*Kate Wilkinson*

OSBA pre-loss attorneys handled 1,735 pre-loss calls from members, an 8% increase from 2015-16. From its inception in 2010-2011, member contacts have increased from 324 to 1735 a 435% increase in usage.

OSBA attorneys are currently handling approximately 26% of all PACE cases (including litigated matters, administrative complaints and other various pre-loss situations). For all PACE claims, the average outside defense cost (attorney fees) is \$28,803. The average cost when handled by an OSBA attorney is \$16,783.

D. PRIMA Update - *Kate Wilkinson, Geoff Sinclair & Scott Neufeld*

Kate attended and there was a big focus on police issue and how to solve these issues as a community. Found it very valuable. Geoff, Kate and Scott also attended the Job Alike program and found this helpful as well.

E. PACE Training Report - *Steve Kelley*

Directed the Trustees to the report in their packet. In the process of scheduling trainings. Trainings are being held throughout the state on Employment Practices, SRP Transgender Students and Conducting Investigations.

F. Communication & Marketing Activity Overview- *Tricia Yates / Rachel Fleenor*

1. Communications & Marketing Report - *Rachel Fleenor*

Tricia directed the Trustees to the report in their packet. Discussed the

ongoing marketing efforts with regards to PACE Joinder Agreements (*all 301 agreements were received before the deadline date*); Lead FAQ, Employment Liability Toolkit, SawStop program, 2015 PACE member's survey and PACE Day article. Also discussed the PACE booth and the numerous emails / communications related to the PACE trainings.

2. PACE Member Survey Report - *Rachel Fleenor*
Directed the Trustees to page 30 of their packet for a summary of the survey. The survey shows positive favorability to PACE. We are working toward getting more members to complete our survey in order to get more comprehensive feedback.

- G. Risk Management Report - *Scott Neufeld*
Staff finished up meetings with members regarding the Boundary Invasion Toolkit and we are now gearing up for the Employment Liability Toolkit and that staff have already been meeting with our members. Talked about the possibility of the purchase of a driving simulator to help our members by providing driver training and to help mitigate our exposure to vehicle accidents. The SawStop program has been a success; we have currently used the \$100K and recommended an additional \$100K this year.

Motion: **John Rexford moved approval of an additional \$100K for the SawStop Grant as presented. Seconded by Craig Prewitt.**

The board voted on the motion and it passed unanimously.

- H. Renewal Update - *Kevin Pardy*
We had a very successful renewal. Average increase to member is 2%. The following coverage changes were made; coverage for Unmanned Aircraft Systems or Drones and Copyright Infringement to the list of Federal Claims in the PACE Liability coverage document. Lastly the property reinsurer has included coverage for underground pipes within a footprint of a building at no additional charge to the Trust.

***John Rexford exits meeting at 12:45 p.m. ***

***John Rexford enters meeting at 12:50 p.m. ***

***Geoff Sinclair exits meeting at 12:45 p.m. ***

***Geoff Sinclair exits meeting at 12:52 p.m. ***

***Kevin Pardy exits meeting at 12:45 p.m. ***

***Kevin Pardy enters meeting at 12:55 p.m. ***

- I. Trustee Development / Competitors to Partners - *Lisa Freiley, Frank Stratton & John Rexford*

***Break at 2:40 p.m. ***

*** John Rexford exits meeting at 2:40 p.m. ***

***Reconvened meeting at 2:50 p.m. ***

Chair Phil Wentz calls the meeting into “Executive Session” 2:50 p.m.

- J. Claims Report - *Geoff Sinclair*
In Executive Session - ORS 192.660(2)(f)
Discussion of pending claims & litigation

Chair Phil Wentz call the meeting back to regular session at 3:40 p.m.

ACTION: The staff recommendation is to authorize Frank Stratton, Executive Director, SDAO the authority to settle the Greater Albany fire claim for an amount not to exceed the recommendation amount presented by staff.

Motion: **Craig Prewitt moved approval staff recommendation as presented. Seconded by Debbie Laszlo.**

The board voted on the motion and it passed unanimously.

*** Tricia Yates exits meeting at 3:40 p.m. ***
*** Tricia Yates enters meeting at 3:44 p.m. ***
*** Alex Pulaski exits meeting at 3:50 p.m. ***
*** Alex Pulaski enters meeting at 3:53 p.m. ***

IV. New Business

- A. Review of Business Plan & Update for 2016-2017 - *Lisa Freiley*
We continue to update the business plan (i.e., ongoing admin items and such). Phil Wentz asked about the historical version (we have created it in three year blocks and will continue to carry this forward in the coming years).

*** Mike Robison exits meeting at 4:05 p.m. ***
*** Mike Robison enters meeting at 4:10 p.m. ***

- B. Update on Amicus Briefs: Recreational Immunity / Horton-Gibson Case - *Lisa Freiley*
Lisa began by reminding the Trustees that PACE financially supported this brief. The decision in the Horton upheld the Tort caps. The Recreational Immunity (Gibson case) is being appealed and we are addressing the issue legislatively. The Gibson case is headed back to the 9th Circuit Court.
- C. Approve New Service Agreements - *Lisa Freiley* – **ACTION**
OSBA will charge an annual service fee of \$1,568,237 beginning July 1, 2016. The service fee will be billed to the Trust quarterly.
SDAO will be paid an annual service fee of \$1,951,000 for the fiscal year 2016-2017. The service fee will be billed to the Trust quarterly.

ACTION: The staff recommendation is that the Trustees approve the 2016-17 Service

Agreements as presented.

Motion: **Brett Yancey moved approval staff recommendation as presented. Seconded by Craig Prewitt.**

The board voted on the motion and it passed unanimously.

D. Appoint Evaluation Committee - *Lisa Freiley* – **ACTION**
Target is to get this done by the September 2016 and/or December 2016 meeting.

ACTION: The staff recommendation is that the Trustees appointment of the 2016-17 PACE Evaluation Committee.

2016-17 Evaluation Committee:

Adam Stewart, John Rexford & Sharla Andresen

Motion: **Phil Wentz moved to appoint the staff recommendation as presented.**

I. Future Business

A. **Next meeting:** *July 26, 2016*
Local Government Center
102 Court Street NE, Suite 400
Salem, OR 97301
Room 427
Time: 10:00 a.m.

V. Trustee Training Opportunities

A. Upcoming workshops for Trustees

1. October 2-5, 2016 AGRiP, Denver, CO
2. October 5-7, 2016 OR PRIMA, Mt. Bachelor Village, OR
3. November 10-13, 2016 OSBA Annual Convention, Portland, OR
4. March 5-8, 2017 AGRiP, Champions Gate, FL
5. March 25-27, 2017, NSBA, Denver, CO
6. June 4-7, 2017, PRIMA Conference, Phoenix, AZ

Chair Phil Wentz adjourned the meeting at 4:30 p.m.