



OFFICIAL MEETING MINUTES

Board of PACE Trustees Meeting

Monday, February 7, 2022

9:00am - 12:00pm

LGC Building

Room 113

1201 Court St. NE

Salem, OR 97301

Or via Zoom

PACE Trustee members in attendance at meeting start:

Brad Henry, Chief Ops & Financial Officer, Bend-La Pine 1; Brett Yancey (Board Chair) Director of Contracts and Risk, Springfield; David Kruse, North Clackamas; Dawn Moorefield, Assistant Superintendent, Cascade 5; Dawn Watson, Board Member, Phoenix-Talent 4; Paul Andrews, Superintendent, High Desert ESD; Sharla Andresen, Director of Contracts and Risk, Central Oregon CC; Sherry Ely, Director of Business Services; Grants Pass; Tim Belanger (Vice Chair), Business Services Director, Oregon Trail 46; John Rexford, Leadership Support Specialist, High Desert ESD

SDAO staff in attendance at meeting start:

Chris Hill, Underwriting; Dan Davenport, Risk Manager; Frank Stratton, Executive Director; Jens Jensen, Property Casualty Claims Manager; Kevin Pardy, Underwriting Manager; Michael Doherty, Chief Financial Officer; Scott Neufeld, Director of Claims & Risk Management

Guest(s) in attendance at meeting start:

Chris Kyle, Russell Investments

OSBA staff in attendance at meeting start:

Dave Harvey, PACE Administrator; Haley Percell, Legal Services Director; Jim Green, Executive Director; Rachel Baker, Marketing and Communications Specialist; Chris Davidson, Chief Financial Officer; Meghan Peterson, PACE Administrative Assistant

OSBA staff not in attendance at meeting start: *Alex Pulaski, Director of Communications*

Meeting adjourned at 9:01am.

- I. Welcome - Brett Yancey
 - A. New attorney introduction - Haley Percell

- II. Presentations (30 min)



- A Russell Investment Report - *Chris Kyle and Greg Coffey (Russell Investments)*

No questions for Chris.

Chris Kyle exits the meeting at 9:29am.

III. Educational Presentation (30-45 min)

- A Termination Process, deductible, and coverage

language discussion - *Haley Percell and SDAO Staff*

- Lay off process is worse than termination process (if you actually want to terminate).
- Should we require members to follow lawyer advice for coverage?
- Supposed to call about demotion process as well, adverse termination of employment, nonrenewals. Need to remind members of that more.
- Advise overprocessing, giving notice, an opportunity for a board hearing, that eliminate claims.
- Haley: Our lawyers always advise: always give due process regardless if they have a CBA.
- Some schools are not keeping up with the statutory process, because CBAs may not be current, or outdated policies. - Extra important to contact lawyers in these cases.
- Oregon is unique is that it allows lawyers to represent two entities.
- Our lawyers do not go looking for clients - they have to call us.
- We don't follow up with school districts, we don't know who does or doesn't followed our advice unless they let us know directly.

Dawn exits meeting at 9:31am.

Dawn returns at 9:36am

Questions for Haley?



Tim \$25,000 issue, how many people do we think didn't know about that? Jens says a handful of times, 10 or 12 where they paid for it out of their own pocket.

Paul Andrews assumes the policy exists is to change behavior. That folks that already had that deductible? Is there another option available to us? Or is this not a big enough issue to worry about it? Jens says it's a carrot and stick issue. Jens thinks that it is wildly successful.

Frank adds that those districts that take on a higher deductible, they get some premium credit and two because they want a little more control, they take on that additional risk and have more due diligence. Often larger districts that can afford legal counsel.

John says that often people use it as more as risk management issue, and make decisions with advice from legal but not necessarily following it since you know the details.

IV. Action Items (20 min)

A. November 30, 2021, meeting minutes

- a. *"I move approval of the November 30, 2021, PACE Trust meeting minutes"*

David Kruse moves, Sharla Andresen seconds. Dawn amends the minutes that she was not there - approved with amendment.

B. SDAO Labor Budget Increase for the 2021-2022 Fiscal Year - Dave Harvey and *Michael Doherty*

- a. *"I move approval of the requested budget adjustments for both SDAO and OSBA as outlined in the board plate."*

Haley says that work is not slowing down, school rules are getting more and more complicated. Oregon is not litigious luckily. Never seen so many novel questions, which takes a lot of research. Request for presentations has also increased.

Brett sees this as an administrative level, not a board need? Contractual obligations between OSBA and SDAO. Budgetary issue, outside of the guidelines of the budget the trust has approved. Tim clarifies but we don't reduce the budget to hire another attorney. Fully acknowledge the benefit of the attorneys and workload of the attorneys. What is OSBA's contribution to that? What level are they paying for now? Why is PACE paying for that?



Haley: we have one funded OSBA attorney. That has been standard since before Mary Paulson (deputy director). OSBA paid for one, and the rest were PACE preloss.

David Kruse moves, Brad seconds.

Jens returns at 10:04am

From 10 – 10:30am: Paul Andrews may not be available due to an OHA meeting for superintendents

BREAK – 10:13am – adjourned at 10:18am

Meghan goes to get more coffee at 10:14am.

Meghan returns at 10:22am

V. Department Reports (45 min)

A Underwriting Department Update – Kevin Pardy and Chris Hill

No indication that AIG would offer us both, early indication is willing to provide us a quote for 25% premium increase with the same terms as last year. If you go outside the PACE pool, it is really hard to find coverage. Premiums are skyrocketing, and requirements to get coverage are very stringent.

Implement four classes, two more staff and two for admin.

Cyber security awareness, as well as SafeSchools and Social Engineering. 6/30/2023 to get these implemented.

Cyber incidence response plan, 2023 renewal year, some level of multi factor authentication requirement, cyber security expert is a huge step towards being step with being relatively low cost, by 6/30/2024.

Need to be very specific about what we are going to require.

Sharla asks about SafeColleges, is that available to every member? Yes. This is the money that PACE Trust approved. Scott says they are currently in – under “Other” currently, will eventually be under IT.

There will be members by 2024 who can't/are not willing to complete this, but we have to do what we can? Cyber cannot afford to members in the program who are not being cyber secure.

Resolve with the unions “I shouldn't be required to my personal cell phone to authorize a MFA” push backs.



Bargaining issue potential? Dave thanks the Trust for the funds.

To anticipate a 10% average increase.

B. Claims Report – *Jens Jensen*

Meghan exits at 10:50am

Meghan returns at 10:55am

No questions for Jens. General comments on defining sexual abuse.

C. Financial Report – *Michael Doherty*

We've booked \$900,000 for actual claims. We've reduced the claims estimate the actuary made.

Brett leaves at 11:08am

Brett returns at 11:09am

Member training is trending as normal. Operating basis net operating income at 1.7 million – most come from claims being under budget at this point the year.

Michael had some tech difficulties during insurance presentation – was able to resume.

Brian Kernan returns at 11:12am

VI. Discussion Items (15 min)

A. Board Activity Reports – *Trustees*

- Questions about whether boards need to get surety bonds?
 - The whole thing is propaganda. Asking for contributions. As far bonding Oregon, it's all about fiduciary responsibility.
 - It's nonsense. Current strategy is to respond on a one off basis and go to their insurance agent.

Dan exits at 11:15am.

Mary returns at 11:17am to turn off alarm.

Sound and video ends at 11:20am

IT fixes, resumes discussion at 11:22am.

Sherry received one of these “freedom of information requests” as well.



How do we inform members of this type of scam?

Dawn Watson is asking her superintendent about how many requests they've received so far? Don't need to go through legal, but if you need help call legal. It feels like there is something new every week, according to Dawn. Board Members are feeding information to that group.

Dave talks about members wanting to leave OSBA they also lose PACE coverage at the same time.

Districts are actively trying to find other insurance options – but not sure what is out there. There are several districts working together, there's a spreadsheet going around.

Reason they haven't left OSBA is because of PACE.

Mary says they are mad at OSBA over masks, but not necessarily mad at PACE. Individual members not districts. They think Jim has power over local district control. Concern over liberal bent over OSBA board.

Dave will talk to superintendents and business managers, and what can we do explain the value to your board members?

Sway with legislative, hold board members to hold them accountable with their fiduciary decisions. How are board members educated? No way to hold our board accountable? Position of liability for the school district.

Apparently there is nothing serious enough that a board member can be removed, not just voted out?

~~B. Legal Department Attorney Update – Haley Percell – moved higher up~~

C. Program Administrator Update – *Dave Harvey*

Thank Dawn for reupping as a trust member.

Sharla and Brett in a year and a half – new board members?

How would you like board members to respond to these requests? Dave will get back and send us something.

Dan – redoing toolkits. Done for 8 years. 2/3 completion. Three year toolkit, three different topics. Property, SAM, liability (Employment/cyber/athletics). Brett initial thought – it was a proactive way to touch on hot spots. I am



concerned that districts are just checking boxes, it's not necessarily intended outcome.

Tim likes the idea of rotating it (one thing per year). Get a chance to engage different groups of stakeholders within the district. It can become white noise if we just keep doing the same over and over again. **Sharla says from a COCC perspective, we do a lot of checking a box.** SAM is not a big issue for CC's, and so for them it was just checking a box. Sherry agrees it becomes too routine. If you include a component for us to have one of you attend an admin meeting. Engaging admin teams.

- A Future Trustee topics and activities – All
- a. Suggestion: public meeting reminder

VII. Informational Reports Usually not discussed unless a Trustee has a question.

- A Legal Department Update – Haley Percell
- B Legislative Report – Lori Sattenspiel
- C Communications Report – Alex Pulaski
- D Risk Management Report – Dan Davenport

VIII. Future Trust Meetings and Trustee Attendance

- A April 13, 2022, Salem Convention Center
- B April 14, 2022, PACE Day, Salem Convention Center
- C July 29th & 30th 2022, Hampton Inn, Bend Oregon

Mary exits at 11:53am.

IX. Trustee Training Opportunities

- A Association of Governmental Risk Pools (AGRiP)
Governance and Leadership Conference
Normally PACE Trust Board attendance
A focus on education for pool governing bodies, with additional leadership and timely operational content.
 - March 6 – 9, 2022 – New Orleans, LA

- B Oregon Public Risk Management Association (OR-PRIMA)
Spring Conference
April 9, 2022 – OR Gardens
OR-PRIMA is the only state association dedicated solely to the practice of risk management in the public sector, providing a one-stop local resource for educational programming, risk resources and networking opportunities to chapter members who coordinate risk management, purchase insurance, manage human resources, administer safety programs, manage labor issues, and much more.

- C Public Risk Management Association (PRIMA)
Annual Convention
The Association's mission is to promote effective risk management in the public interest as an essential component of public administration.
June 5-8, 2022 – San Antonio TX



X. Adjourn (estimated 11am)

Meeting adjourned at 11:54am.

