
MONDAY, FEBRUARY 26, 2018
1201 Court St. NE, Ste. 400, Salem, OR 97301; Room 113

PACE Trustee members in attendance at meeting start: John Rexford, Bend La-Pine Chief of Staff, Brett Yancey, Springfield Public Schools Chief Operations Officer; Debbie Laszlo, Redmond 2J Regional Risk/Benefits Manager, Sharla Andresen, Central Oregon Community College Director of Contracts & Risk; Adam Stewart, Hillsboro 1J Capital Projects Officer; Mike Schofield, Gresham-Barlow 10 Chief Financial Officer, Tim Belanger, Business Services Director Oregon Trail

PACE Trustee members absent at meeting start: Craig Prewitt, Phoenix-Talent 4 Board Chair; Marie Knight, Vernonia 47J Business Manager

SDAO staff in attendance at meeting start: Frank Stratton, Executive Director, Michael Doherty, Chief Financial Officer, Scott Neufeld, Director Claims & Risk Mgmt.; and Kevin Pardy, Underwriting Manager, Dan Davenport, Risk Manager, Jens Jensen, Property and Casualty Claims Manager

OSBA staff in attendance at meeting start: Dave Harvey, PACE Administration; Mary Paulson, Deputy Executive Director; Jon Greeley, Director of Finance & Operations; Alex Pulaski, Director of Communications; Haley Percell, Director of Litigation Services; Pamela Mullen, PACE Administration Assistant.

OSBA staff absent at meeting start: Jim Green, I; Lori Sattenspiel, Director of Legislative Services, Rachel Fleenor, Branding & Digital Marketing Strategist

Guest in attendance at meeting start: Dan VanSpreybroeck, Attorney; Greg Coffey, Russell Investments, Jodi Sherwood & Captain Fox, Oregon State Police; Dave Novotney, Superintendent, Willamette ESD; Phil Wentz, Risk Management Consultant, SDAO

Chair Debbie Laszlo called the meeting to order at 9:00 a.m.

- I. Welcome and introductions of non-board members
- II. Educational training - Claims 101

Mike Schofield exits meeting at 10:40 a.m.

Mike Schofield enters meeting at 10:43 a.m.

Marie Knight enters meeting at 10:44 a.m.

Dave Harvey exits meeting at 10:50 a.m.

Dave Harvey enters meeting at 10:52 a.m.

Brett Yancey exits meeting at 10:50 a.m.

Brett Yancey enters meeting at 10:52 a.m.

Jens Jensen exits meeting at 11:00 a.m.

Jens Jensen enters meeting at 11:02 a.m.

Alex Pulaski exits meeting at 11:03 a.m.

Scott Neufeld exits meeting at 11:05 a.m.

Scott Neufeld enters meeting at 11:07 a.m.

Dan Davenport exits meeting at 11:12 a.m.
Jim Green enters meeting at 11:15 a.m.
Phil Wentz exits meeting at 11:21 a.m.
Dan Davenport enters meeting at 11:21 a.m.
Dan VanSpreybroeck exits meeting at 11:05 a.m.
Mary Paulson exits meeting at 11:30 a.m.
Mike Schofield exits meeting at 11:32 a.m.
Mary Paulson enters meeting at 11:35 a.m.
Alex Pulaski enters meeting at 11:35 a.m.
Mike Schofield enters meeting at 11:36 a.m.

III. Presentations & Written Reports

A. Underwriting Report: Liability & Coverage Documents - David VanSpreybroeck / *Kevin Pardy*

David & Kevin reviewed the upcoming changes/additions to the PACE member coverage documents. Ask the Trustees to review the documents and have changes, questions or recommendations to Kevin Pardy by April 4, 2018.

B. Investment update - *Greg Coffey, Russell Investments*

Greg provided an update on the PACE portfolio for periods ending January 31, 2018. Since inception with Russell, the portfolio has generated \$13.3M in earnings with fiscal YTD earnings of \$3.7M. He discussed economic cycles and they are following predictable patterns; while the duration and amplitude of every cycle is modestly different, most characteristics in the economic and business cycle remain the same. Economic cycles are heavily influenced by the credit/lending cycle, corporate profit (earnings) cycle, and capital expenditures (both private and public), Average length of an economic cycle is typically just less than six years.

Greg Coffey exits meeting at 11:55 a.m.

C. Financial report - *Michael Doherty*

Michael presented the PACE financial statements through December 31, 2017. The first six months of the policy period have been fairly uneventful with the exception of increase in reserves on one GL claim. Both 2015-16 & 2014-15 policies have reductions in ultimate losses based on their trend this fiscal year. Property claims have been very quiet through December. Total operating expense, including the contract fees for both OSBA and SDAO are at 45% of budget. The larger expenses will be used through the next six months including broker fees, property appraisals and the remaining balance of the drone complier program. Investment earnings continue to exceed expectations with a 12-month return of 8.5%; six-month investments earnings are around 95% of budget, or \$3.1M.

D. Risk Management report - *Dan Davenport*

Dan discussed the various conferences and trainings the risk management team have been involved in; such as OASBO, OCCA and COSA. The team believe our involvement will go a long way in improving PACEs relationships

with these organizations. He also discussed the various training topics including the Drone Complier Program.

E. Pre-loss & Training Report - *Haley Percell*

Haley updated the Trustees on the vacant positions open in the pre-loss department and that they have filled both and are hopeful that the third position will be filled soon. She stated that the attorney's hired have numerous years' experience in the required field of expertise that PACE/OSBA need.

F. Risk Management Priorities - *Scott Neufeld*

With the ability to produce loss ratio reports for the specific coverages that we provide our members the Risk team can review these on an annual basis and use the data to help with their risk management focus during the year. Dan Davenport uses the data from the GL and Property reports to help select the top priorities for the team to develop trainings, fact sheets and overall conversation topics when visiting our members. I have included the General Liability and Property reports for the last 6 policy years for your review.

G. Claims & Litigation Report - *Jens Jensen*

Jens gave a brief update on claims to the Trustees covering the "Top 10" GL/AL & CSRs.

****Break for lunch @ 12:00 p.m.****

****Reconvened meeting for a working lunch @ 12:15 p.m.****

IV. Action Items

A. Consent Agenda

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 after the consent agenda.

- i. Legislative Update - *Lori Sattenspiel*
- ii. 2017-18 PACE/OSBA Mid-Year report - *Dave Harvey*
- iii. PACE Day Update - *Dave Harvey*
- iv. Communications report - *Alex Pulaski*

Motion: John Rexford moved approval of the consent agenda as presented.
Seconded by Mike Schofield.

The board voted on the motion and it passed unanimously.

B. Approval of December 4, 2017 minutes

Motion: Adam Stewart moved approval of the minutes as presented. Seconded by Sharla Andresen.

The board voted on the motion and it passed unanimously.

C. Appoint Budget Committee - *Debbie Laszlo, Chair*

Motion: Adam Stewart moved to appoint Marie Knight and Brett Yancey to the budget committee. Seconded by John Rexford.

The board voted on the motion and it passed unanimously.

D. Approval of proposed claims audit firm - Dave Harvey

Motion: Brett Yancey moved to appoint Bickmore as the claims audit firm for the next two cycles (6 years total). Seconded by Adam Stewart.

The board voted on the motion and it passed unanimously.

E. Broker Selection Committee - Debbie Laszlo

Motion: Adam Stewart moved to appoint John Rexford and Mike Schofield to the SDIS broker selection committee. Seconded by Marie Knight.

The board voted on the motion and it passed unanimously.

F. Trustee Candidate form review & recommendation - *Debbie Laszlo, Chair*
Appoint new Trustees to fill/replace vacant Trustee positions; Dave discussed with the Trustees that we have two positions to fill. The three candidates are:

- Tenneal Wetherell, Superintendent, South Coast ESD.
- Tim Belanger, Business Services Director, Oregon Trail
- Nickie Blasdell, Risk Management, Portland CC

Motion: John Rexford moved to recommend to the OSBA BoD Tenneal Wetherell fill the PACE Trustee vacant position of John Rexford beginning July 1, 2018 as presented by staff. Seconded by Sharla Andresen.

The board voted on the motion and it passed unanimously.

Motion: Brett Yancey moved to recommend to the OSBA BoD Tim Belanger to fill the vacant position of Phil Wentz beginning July 1, 2018 as presented by staff. Seconded by Adam Stewart.

The board voted on the motion and it passed unanimously.

V. New Business

A. *Discussion - SafeOregon update - Dave Harvey and SafeOregon Rep.*

Dave Novotney discussed the need to have some help with marketing SafeOregon and partnering with PACE makes great sense.

Promotion of the use of SafeOregon by PACE.

- a. Reference SafeOregon on the PACE website
- b. Promote SafeOregon at regional and statewide trainings. (i.e., email communications, etc.)
- c. Inclusion of SafeOregon as a qualifying requirement for the PACE 5% GL credit.

Jodi discussed that to date 830 schools have signed up, 100 are in the middle of the process and Salem-Keizer School District will be signed up by March 1, 2018. We have had 700 tips since last school year and 108 tips in the last 12 days (mostly due to the resent school shooting in Florida); ended the 2017 year with 350 tips. The Oregon Police will hold a national summit this summer and would like PACE's involvement. Marketing and promotion has fallen on the State police and we don't have the funds to keep this momentum going. We cannot sustain that going forward and want to establish partnerships with PACE, ODE etc., the danger that may present itself is that this could get out of date. Jodi will move to a new position and the State police will replace her with an analyst position. It would be best if a district owns the program. Some schools have taken leadership with regards to SafeOregon.

Jon Greeley exits meeting at 1:37 p.m.

Dave Novotney, Jodi Sherwood and Captain Fox exit meeting at 1:42 p.m.

B. *Discussion - Future Board Topics and Activities - Dave Harvey*

Discussed succession planning and staggering term limits and creating an on-boarding / orientation for new Trustees. Staff will bring recommendations to the Trustees at the July 2018 planning meeting. Will also bring the Trust by-laws and Trust agreement to them as well.

Haley Percell exits meeting at 1:42 p.m.

Brett Yancey exits meeting at 1:45 p.m.

Kevin Pardy exits meeting at 1:48 p.m.

VI. Trustee Training Opportunities

- A. March 4-8, 2018, AGRiP, Governance & Leadership, *San Diego, CA*
(PACE to receive AWARD - Debbie Laszlo)
- B. April 7-9, 2018; NSBA, *San Antonio, TX*
- C. April 13, 2018; OR Prima Spring Conference, *Oregon Gardens*
- D. April 19, 2018; PACE Day, *Salem, OR*
- E. April 20, 2017, AGENTS Day, *Salem, OR*
- F. June 3-6, 2018; PRIMA, *Indianapolis, IN*
- G. Sept. 30 - Oct. 3, 2018; AGRiP, *Portland, OR*

VII. Future Business Items

- A. Next Meeting Date - April 18, 2018 - 10:00 a.m.
(OSBA 1201 Court St., NE, Salem, OR 97301 (Room 113))**
- Trust Board Dinner at 6p.m.
 - Hotel rooms are located at The Grand Hotel for all Trustees

Chair Debbie Laszlo adjourned the meeting at 2:00 p.m.