

BOARD OF TRUSTEES MEETING

Monday, February 5, 2024

9:00am - 12:00pm

OFFICIAL MEETING MINUTES

Salem Convention Center
200 Commercial St. SE
Salem OR 97301
Meeting Room: The Board Room

PACE Trustees: Tim Belanger (Chair), Business Director, Oregon Trail 46; Dawn Moorefield (Vice Chair), Assistant Superintendent, Cascade 5; David Kruse, Director of Safety & Risk, North Clackamas; Paul Andrews, Superintendent, High Desert ESD; Dawn Watson, OSBA Board Member, Phoenix-Talent 4; Olivia Meyers-Buch, Director of Operations and Finance, Corvallis; Jordan Ely, Chief Financial Officer, Northwestern Regional ESD; John Rexford (Trustee Emeritus), Leadership Support Specialist, High Desert ESD; Sean Taggart, Director of Risk Management, Rogue Community College

OSBA Staff: Dave Harvey, PACE Administrator; Meghan Peterson, PACE Sr. Administrative Assistant; Emielle Nischik, Acting Executive Director; Haley Percell, Chief Legal Officer; Michael Miller, interim Legal Services Director; Alex Pulaski, Communications Director; Chris Davidson, Chief Operating Officer; Henry van Vuuren, IT Analyst

SDAO Staff: Frank Stratton, Executive Director; Scott Neufeld, Deputy Executive Director; Dan Davenport, Director of Risk Management; Jens Jensen, Property Casualty Claims Manager; Chris Hill, Underwriting Manager; Michael Doherty, Chief Financial Officer

Guest(s): Darrin Hogsed, Client CIO, Russell Investments

- I. Welcome - Tim Belanger
 - A. Introductions of guests

Tim called meeting to order at 9:01am.

- II. Presentations
 - A. PACE Investment Report - *Darrin Hogsed, Russell Investments*
 - *Good news for this quarter, calendar year, positive 26% at the end of 2023.*
 - *Strong 4th quarter, key contributing factors:*
 - *The Fed contributing to decreases, market welcomed that news*
 - *Economic/employment data is holding up.*

- *13% domestic, 18% return international, broadening out, hoping it will continue.*
- *We might be at an inflection point but not guaranteed.*
- *The path of least resistance is downward, need to work hard to increase returns.*
- *Portfolio is very well positioned at this point.*
- *By trimming back the fixed income, we can enhance those equity returns going forward.*
- *Have-nots: real estate/office. We have minimal exposure to real estate.*

B Claims Manual Review and Update – Jens Jensen

- *Job titles have changed, authorities have changed.*
- *Claims report no longer happening, delegation and job training in general.*
- *Board Chair would like to see the appendix. Jens says he will send it out.*
- *Trustee wants to know if this is a manual we have to approve? Jens says it's operational, but Frank says that the appendix was approved by Trustees.*
- *Board Chair appreciates we get this update every once in a while for Trustee's information.*

III. Action Items

A December 6, 2023, meeting minutes

- a. *"I move approval of the December 6, 2023, PACE Trust meeting minutes."*

David Kruse motions, Brad Henry seconds. None opposed. None abstained. Minutes are approved unanimously.

B PACE Trustee Nomination Seat 6 – Dave Harvey & John Rexford

- *Recommendation from Dave: George Mendoza, superintendent. He will be a great fit, great perspective, far enough east as we can get that region. If you want to get something done, give it to someone who is busy. John Rexford recommends him.*
- *OSBA (Board of Directors) will need to approve in March if this motion goes forward.*
- *Paul Andrews highly recommends him as well. Paul likes that we have more ESDs and a superintendent.*
- *Tim Belanger has also known George a while as well. Strong savvy with dealing with school operations.*

Paul Andrews motions recommending George Mendoza to fill his seat on the Trust. Sean Taggart seconds. None opposed. None abstained. Motion passes unanimously.

C PACE Trustee Self-Assessment Tool – *Dave Harvey*

- *Board Chair asks when and how would this be used/deployed: Dave would wait until after our April meeting, send it out in May. Is that enough time for reflection? We're updating our strategic plan in July. Would bring results back in July after sending out in May.*
- *Are you thinking this is an annual process? Yes.*
- *Rating 1-5 or 1-4: Trustee recommends using 4 as it forces an opinion, add in N/A if needed.*
 - *Other thoughts about scale? Board Chair does not find value sitting on the fence. Likes 1-4.*

Brad Henry motions, David Kruse seconds. None opposed. None abstained. Motion passes unanimously.

D. PACE-OSBA and PACE-SDAO Service Agreement 2024-2028 language update – *Dave Harvey*

- Only changes are terminology due to leadership changes at OSBA.
- Will go into effect on July 1.

Dawn Moorefield motions approval of the PACE-OSBA and PACE-SDAO Agreement of 2024-2028 language updates. Brad Henry seconds. None opposed. None abstained. Motion passes unanimously.

Board Chair calls break at 10:00am.

Darrin Hogsed exits at break.

Meeting called to order at 10:14am.

IV. Department Presentations

A Legislative Short Session Verbal Update – *Lori Sattenspiel*

- *Lori is at the capitol today and will not be able to report verbally today.*

B Legal Department Report – *Haley Percell/Michael Miller*

- *Team Lead position in the legal department – not a new position and for internal applicants only. Every person has expressed interest.*
- *In negotiations with someone now from the last round of applicants for a new lawyer.*
- *Employment terminations are still #1 topic of interest. Good response from non-renewal webinar.*
- *Need to ramp up contacting ODE during sexual conduct situation; you have to notify them in addition to TSPC. Easy form process. Need to start educating PACE members on that part of that.*

- *Many BOLI claims are disability accommodations/medical leave and terminating people who are on leave. Increase in mental health claims.*

C Claims Department Report – *Jens Jensen*

- *Many liability claims cropping up after winter weather.*
- *Trustee asks about impact on winter weather on liability insurance. Jens says that it will go up. The Trust will absorb the first \$5 million.*
 - *Frank says that we've had two good years in a row, and a good loss ratio so that will mitigate it somewhat. Jens reminds us that it's the entire world market that will impact liability reinsurance as well. Storms have increased everywhere.*
- *Liability insurance going to keep up to date on infrastructure with demand and weather-related events.*
- *Worldwide market is leveling out as there are more players again.*

D. PACE Financial Report – *Michael Doherty*

- *Note: There will be an expensive claim for sex abuse claim (Administrators knew and didn't say anything – hopefully the PSA will help with that?)*

V. Discussion Items

A Board Activity Reports – *Trustees*

B AGRiP Travel Details – *Meghan Peterson*

C PACE Trustee email addresses, discussion – *Haley Percell*

- *Looks like we can move forward with pace email addresses and asks about how. Legal will work on this with Dave.*

D. Vector Solutions Training in other languages – *Dave Harvey*

- *Trustee asked about languages (request from Human Resources.) Languages that schools need: Arabic, mandarin. Important for safety training.*
- *Dave will put it in the budget meeting – see how we want to move forward. Do we know how many people need languages? 100 districts use the Spanish language.*
- *Lowest common denominator – what's the least we can spend for the greatest impact?*
- *How to communicate this to districts? Trying to figure out what languages we are not serving that maybe we would need?*
 - *During our PACE member survey process (in May) we can ask what languages they are looking for. Board Chair says it's important how we ask it. OSHA dictates it needs to be in the language that they speak. Bloodborne pathogen is the number one training even though we don't cover that.*

- *Vector Solutions can put out webinars that go over what is available. To make members aware of resources.*

E PACE Administrator update - Dave Harvey and Emielle Nischik

F PACE Day Responsibilities - Dave Harvey & Meghan Peterson

G Future Trustee topics and activities - All

- *None at this time.*

VI. Informational Written Reports Usually not discussed unless a Trustee has a question.

A Risk Management Report - Dan Davenport

B Underwriting Report - Chris Hill

C Communications Report - Alex Pulaski