



BOARD OF TRUSTEES MEETING

April 15, 2020
12:30pm – 3:00pm
AGENDA

PACE Trustee Minutes
Wednesday, April 15, 2020
Conference call via Skype

PACE Trustee members in attendance at meeting start: Sharla Andresen, Central Oregon CC, Director of Contracts & Risk , Debbie Laszlo, Redmond 2J Regional Risk/Benefits Manager; Marie Knight, Vernonia 47J Business Manager, Tim Belanger, Oregon Trail 46, Business Services Director; John Rexford, Leadership Support Specialist, High Desert ESD, Sharla Andresen, Board Chair, Craig Prewitt, Phoenix-Talent 4, Tenneal Wetherell, South Coast ESD 7, Superintendent, Brad Henry, CFO, Bend-La Pine

PACE Trustee members absent:

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

Guest in attendance at meeting start: Greg Coffey, Russell Investments, Chris Kyle, Russell Investments, Joel Troisi, Beecher Carlson, Richard Poling, Beecher Carlson, David Kruse, North Clackamas, Sherry Ely, Grants Pass

OSBA staff in attendance at meeting start: Jim Green, Executive Director , Haley Percell, Director of Litigation Services; Dave Harvey, PACE Administrator, Meghan Peterson, PACE Administration Assistant; Rachel Baker, Digital Branding & Marketing Strategist; Chris Davidson, Director of Business Services, Alex Pulaski, Director of Communications, Tonyia Brady, Senior Assistant Legal Counsel, Elliot Field, Senior Assistant Legal Counsel

Notes: All attendees are present virtually. Scott, Frank and Kevin are all videoing in on one line. This is a video and audio recorded meeting.

Board Chair Sharla Andresen called the meeting to order at 12:37pm

Dawn moves to approve, modify with removal of executive session the Boardbook agenda with date, Debbie seconds.

John Rexford enters at 12:40pm

- I. **Welcome** (10 min.)
 - a. Acknowledge any guests - Sharla Andresen
 - b. Skype meeting overview instructions - Dave
- II. **Approve agenda** (2 min.)
 - a. Sample motion: "I move approval of the agenda for today's meeting"
- III. **Presentations** (15 min.)
 - a. Russell Investment Update - Greg Coffey

Saudi Arabia and Russia oil crisis and current pandemic. Down across the board. Entering 2020, large cap growth stocks outgrowing small cap stocks. Employment is at 15%, possibly up to 20% this year.

**Andrew Norval leaves meeting due to technology running smoothly
12:44pm.**

Tim - us government buying bonds/municipal debt? What impact on the market? It will more of a trickle effect, provides liquidity to cities. Direct effect on jobs. Greg says that the economy will return to normal at some point, Tim asked about the risk we are taking, would we want to invest more in bonds then?

Craig reminds us to say our names before we speak.

Sharla says no other questions. Chris and Greg exit at 1:01pm.

- IV. **Consent Agenda** (2 min.)
 - a. February 24, 2020 meeting minutes
 - b. 2020-2021 Trust Meeting Calendar
 - i. Sample motion: "I move to approve the consent agenda as presented"

Craig motions, Tim seconds. As corrected in Boardbook.

- V. **Action Items** (90 Min.)
 - a. Underwriting - Kevin Pardy
 - i. Cover document changes
 1. Sample motion: "I move approval of the presented changes to the coverage document effective July 1 2020"

SAM coverage change, with approval from Genesis, add language from Trust memo to Pace Educator's Liability document.

Tim moves, Dawn seconds.

Cyber coverage, Trust authorize us to add a \$25,000 deductible to all Cyber Claims, as of July 1, 2020.

Tim moves, Brad second. *Sharla asks that we let people know if we choose to remove cyber security by July.*

Brett asked about tiered deductible for smaller to larger school districts? Frank says that there is concern is not good, lax security standards, etc. They don't have the budgets to invest as far as security.

Tenneal from ESD perspective, did not have cyber security, and went out and got some.

Tim weighs in, why for this and not any other kind of coverage then? Either we do everything that way or don't do it.

Debbie different layers of coverage purchased? Smaller districts to choose less coverage? Frank says it is not covered with group coverage.

Brad, asks how many cyber claims were under \$25,000? Frank says 75% claims were under \$25,000.

David Kruse, what was \$25,000 come from? Do we jump up this fast? Kevin says that it is based on advice from insurance. Tenneal says that getting separate cyber security helped supplement PACE.

Communicable Disease Exclusion: recommend trustee authorize excluding communicable diseases from liability and coverage documents.

Brett moves, Marie seconds.

Limited Pollution Coverage:

Staff recommends eliminating the existing Additional Coverage 3: Limited Pollution Coverage from the PACE Liability Coverage Document and replacing it with the following in the board packet, *but expand on the types of activities that would be covered in addition to science classrooms.*

Debbie moves, Marie seconds.

Brett wonders about the language of pollution and where that is relevant in coverage. To allow coverage outside of the science classroom.

Incidental Medical Practice Definition:

Staff recommends the Trustees approve the language addition to the Incidental Medical Practice definition as outlined in this memo.

Tim moves, Craig seconds.

A 5 minute break is proposed, the meeting will readjourn at 3pm.

Brett and Tenneal will need to leave at 3pm for previous engagements. Sherry Ely will also need to step away at 3pm, but she is not yet a voting member.

21 presenters remaining at 3pm.

Skeet Shooting: Staff recommends the Trustees approve the addition of the proposed addition to Exclusion AF. Which will grant liability coverage for PACE members engaged in skeet shooting activities.

Brad moves, Dawn seconds.

Staff recommends adding the following definition of Agent and modifying the definition of Participant, in the PACE Liability Coverage Document changes.

Debbie moves, Craig seconds.

ii. Property reinsurance renewal

1. *Sample motion: "I move approval authorizing the purchase of property insurance as presented"*

Agenda order change, to property reinsurance renewal first.

Joel & Richard start presentation at 1:06pm.

Property Program Status: Option 1, Option 2, Option 3

Recommends Property, renew the CNA equipment (which is expiring), selection Option 1: Brett moves, Craig seconds.

Tim asks about the implications of Option 2, but it looks like it's only about 1% difference to members, and want to keep up to our limit.

Debbie asks about required members for property appraisals, Kevin says that any increases will smoothly go up through 3 years.

Sharla asks about potential auto rebates, Frank says later after the year we might give back a dividend.

Staff recommends renew with AIG on the Cyber and with Crime, underlying with Genesis, and ability to finalize the other two pieces as they come in on 4/30, Tim motions, Dawn seconds.

iii. General liability reinsurance

1. *Sample motion: "I move approval authorizing the purchase of general liability insurance as presented"*

b. 2021-2022 5% general liability discount - Scott Neufeld

- i. Sample motion: "I move approval for the 5% general liability offered to members for the 2021-2022 fiscal year as presented"*

Tim asks where you would see your discount or not.

Brad asks if we really are just requiring them to comply with the law.

Dawn moves, Brad seconds.

- c. 2020-2021 Budget – Michael Doherty, Dave Harvey, Chris Davidson, Dawn Moorefield and Brett Yancey
 - i. Sample motion: "I move approval for the 2020-2021 proposed budget as presented by the PACE Budget Committee, SDAO staff and OSBA staff."*

Michael would like some ratification in July as necessary, so we will approve this budget and then make changes in July as solid information comes on.

Tim asks for clarification on moving money over for an employee.

Some discussion about the SAM new position during the budget.

Tim moves, Marie seconds.

VI. Executive Session (15 min.)

- a. Claims Report – Jens Jenson
 - i. Litigation with representing counsel in executive session.
 - 1. Executive session pursuant to ORS 192.660(2)(h) which allows the commission to meet in executive session to “consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed”.
 - ii. End executive session

Executive session deemed not necessary.

VII. Department Reports (5 min.)

- a. Claims Report – Jens Jenson

3:33pm – Craig exits.

3:37pm – Craig returns

VIII. Informational Reports These reports are information only and can be discussed at the request of any Trustee

- a. Financial Report – Michael Doherty
- b. Legal Report – Haley Purcell
- c. Risk Report – Dan Davenport
- d. Communications Report – Alex Pulaski
- e. Legislative Report – Lori Sattenspiel

- f. SAM Strategy
- IX. **Discussion Items** (10 min.)
 - a. Board Activity – Trustees
 - b. PACE Administrator Update – Dave Harvey
 - c. Future Trustee topics and activities requests – Trustees
- X. **Upcoming Trust Meetings and Activities**
 - i. Trust Meeting July 27-28, 2020 Five Pines in Sisters Oregon
- XI. **Trustee Training Opportunities**
 - a. Association of Government Risk Pools (AGRiP)
 - i. Fall Education Forum
 - 1. Offers a variety of learning opportunities organized around specific pool operational tracks, most appropriate for pool management and executive staff.
 - a. October 4 – 7, 2020 - Dallas, TX
 - b. October 3 – 6, 2020 - Minneapolis, MN
 - ii. Governance and Leadership Conference
 - 1. A focus on education for pool governing bodies, with additional leadership and timely operational content.
 - a. March 7 – 10, 2021 – New Orleans, LA
 - b. Oregon (chapter) Public Risk Management Association (OR-PRIMA)
 - i. 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
 - 1. Fall Conference – October 7-9 2020, SunRiver OR
- XII. **Adjourn**

Meeting adjourned at 3:45pm