



BOARD OF TRUSTEES MEETING

Friday, July 29, 2022

12:30pm - 4:00pm

AGENDA

Hampton Inn Conference Center

730 SW Columbia St, Bend, OR 97702

Lunch to be served 12:00pm - 12:30pm

Meeting start 12:30pm

PACE Trustees*:

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; Paul Andrews, Superintendent, High Desert ESD;; 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

*Dawn Moorefield joined virtually

PACE Trustees absent: Dawn Watson, Board Member, Phoenix-Talent 4; Sharla Andresen, Director of Contracts and Risk, Central Oregon CC

OSBA Staff:

Dave Harvey, PACE Administrator; Haley Percell, Legal Services Director; Rachel Baker, Marketing and Communications Specialist; Alex Pulaski, Communications Director; Chris Davidson, Chief Financial Officer; Meghan Peterson, PACE Sr. Administrative Assistant

OSBA staff absent: Jim Green, Executive Director, OSBA

SDAO Staff:

Chris Hill, Underwriting Manger; Dan Davenport, Risk Manager; Frank Stratton, Executive Director; Jens Jensen, Property Casualty Claims Manager; Michael Doherty, Chief Financial Officer; Scott Neufeld, Chief Operations Officer

Outside guests: Kevin Wick

Public guests: Tami Booth, Accounting Supervisor, Parkrose District

Meeting called to order at 12:34pm.

- I. **Welcome** - *Brett Yancey*



- A. Acknowledge guests
- II. **Trust Education Presentation**
 - A. Public Meeting Law - *Haley Percell*
- III. **Action Items**
 - A. April 13, 2022 and May 24, 2022 meeting minutes
 - a. Sample motion: *"I move approval of the April 13, 2022 and May 24, 2022 PACE Trust meeting minutes"*
 - B. Trustee Emeritus Bylaw language update - *Dave Harvey*
 - a. Sample motion: *"I move approval of bylaws as presented"*
- IV. **Presentations**
 - A. Russell Investment Report - *Chris Kyle and Greg Coffee*
- V. **Department Year End Reports** (oral reporting 10-15 minutes each)
 - A. Legal Department Year End Report - *Haley Percell*
 - B. Underwriting Report - *Chris Hill*
 - C. Legislative Report - *Lori Sattenspiel*
 - D. Claims Report - *Jens Jensen*
 - E. Financial Report - *Michael Doherty*
 - F. Communications Report - *Alex Pulaski*
 - G. Risk Management Report - *Dan Davenport*
- VI. **Committee Appointments** - *Dave Harvey*
 - A. 2023-24 FY Budget Committee, 2 Trustees (2022-23 FY Brad Henry and Sherry Ely)
 - B. PACE Service Contract Renewal Committee, 2-3 Trustees
- VII. **Discussion Items**
 - A. Board Activity Reports - *Trustees*
 - B. Pace Administration Update - *Dave Harvey*
 - C. Future Trustee topics and activities - *All*
- VIII. **Annual Trust Board Requirements**
 - A. Acceptance of Trust Agreement as a PACE Trustee - *Dave Harvey*
 - B. Conflict of Interest Forms - *Dave Harvey*
- IX. **Informational Reports** *Usually not discussed unless a Trustee has a question.*
 - A. None
- X. **Future Trust Meetings and Trustee Attendance**
 - A. September 26, 2022, OSBA Offices
 - B. December 7, 2022, The Graduate/COSA Law Conference (Eugene)



- C. February 13, 2023, OSBA Offices
- D. April 12, 2023, Sunriver Conference Center
- E. April 13, 2023, PACE Day, Sunriver Conference Center
- F. July 28 & 29, 2023, Bend

XI. **Trustee Training Opportunities**

A. *Association of Governmental Risk Pools (AGRiP)*

Fall Educational Forum

Offers a variety of learning opportunities organized around specific pool operational tracks, most appropriate for pool management and executive staff.

- October 2 - 4, 2022 San Diego, CA

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 5 - 8, 2023 - Orlando, FL

B. *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 4-7, 2023, Long Beach, CA

June 16-19, 2024, Nashville, TN

XII. **Adjourn (4:00pm)**

A. Dinner

Meeting adjourned July 30, at 9:33am.

PACE Trust Board Priorities – Action Plans

Workshop Notes

Claims:

1. We review quarterly
2. Constant communication with reinsurers
 - a. Upper layer reinsurers are reported to monthly, along with genesis
 - b. Top layer has changed, will be a little tricky if we need to shift layer reinsurers
 - c. No feedback about quarterly v. monthly
3. Questions:
 - a. Tim asks about residual responses from audit last year
 - i. Replaced position that achieved “lower” scores
 - ii. New good employee so far
 - iii. Policy and procedure were good
 - b. Paul asks about monthly check ins with reinsurers – is that average within other pools?
 - i. Jens has a work alike group, and feels we are ahead of them in many areas.
 - ii. Addition of McKenzie Nix has been crucial in tackling SAM cases
 - iii. Scott says majority pools are reporting quarterly, best practice across the board

Legislative

1. Lori suggests increasing the guard rail?
2. A lot more interactive with the trial lawyers/DA than we ever have been to get proactive information
3. Considering a more formal review, or giving more feedback on bills
4. Meeting every Friday to talk about what is coming up in the legislative session
5. Questions:
 - a. Tim asks if there is anything else that might be coming up that presents potential risks?
 - i. SB155: changes made to investigations, slowing down
 - ii. There’s no downtime, so not a lot of information yet
 - iii. Joint process for monitoring upcoming bills with SDAO, OSBA
 - iv. More pre session bill filing
 - b. What’s the decision making factor for not hearing a submitted bill?
 - i. It’s partially the share, partially the speaker and the senate
 - ii. Monitor related clauses in bills with the bill tracker
 - c. Paul asks about the “SpEd” bill. Are we seeing anything that could lead to suits against districts?

- i. Dept. of Ed has made some rule changes to jump in sooner, trying to circumvent harsher actions.
 - ii. But if the bill writer gets her way, there could be increased lawsuits.
 - iii. Will the workalike group help mitigate that?
 - iv. And it often just duplicates what we already have on the books (Haley_
- 6. Risk Management
 - a. Focus on back to basics after the height of the pandemic
 - b. Working on getting fully staffed to increase those visits
 - c. 12 in person trainings in August which is good
 - d. McKenzie Nix has a 5 year plan for her trainings
 - e. Working with ODE to get more curricular information, and developing that relationship
 - f. Property is high priority since we have been remote for so long
- 7. Underwriting
 - a. We have discovered everything that is discoverable, and contact involved members of what was being covered. Records retention back that far is often unheard of.
 - b. Frank says we're not sure what members received in the 80s/90s
 - c. We were able to find the majority of the policy numbers
 - d. Because it wasn't reinsured, we don't have major financial risk
- 8. Legal
 - a. Legal has consistently analyzed the data and the billable data, and have adjusted the rate looking at the numbers.
 - b. Billing double the pay for the attorneys
 - c. A lot of administrative time to create a monthly bill for 280 districts. Looking at what it is common practice and what we should be doing.
 - d. Been tracking that billable data, at least since 2011, if not before.
 - e. Scott mentions that it is good marketing data, good for members to know/understand.
- 9. Communications
 - a. Rachel creates the communication plan for the Trust every year (in the report)
 - b. Rate Increase Information Sheet every year since 2020. Numbers showed through graphs, how their money is spent
- 10. Coming back to financials in September as mike and chris are not here.

Cyber Coverage/Education

- 1. Financial
 - a. We've set up to move rapidly to PACE if we lose AIG
- 2. Claims:
 - a. Most work will be farmed out to experts, we'd have to be prepared to pay a lot of money or not have them in Oregon.
 - b. I think we're better relying on experts

- c. Tim: If there is a legislative option – can we get a state expert for things like this?
- 3. Legislative:
 - a. The larger group (bill in 2017 that was never funded)
 - b. We're trying to repass with funding. Plan would create more cyber security people. Involved with work groups as much as we can.
- 4. Risk Management:
 - a. Created additional webinars, trainings as often as possible
 - b. Eide Bailly survey brought awareness to state of cyber security
 - c. Utilize more third party services
- 5. Legal
 - a. Continuing education on cyber law, very specialized area. Again, rely on experts is more practical right now.
- 6. Underwriting
 - a. 30 members who got outside cyber coverage, only half qualify for it.
 - b. Always talking to agents to see what outside markets look like
 - c. We're lucky to have cyber coverage at all
 - d. Does PACE eventually self-insure for cyber?
- 7. Communications
 - a. Steady marketing for cyber resources
 - b. Whole web page for cyber resources
 - c. Will address cyber grants and other resources as needed
 - d. We'll need more google analytics, and updated website resources

Changing member behaviors

- 1. Administration
 - a. Constant introduction about SAM resources and McKenzie Nix.
 - b. Large influx of superintendents – so this education is extra important
 - c. Also many new business managers
- 2. Claims
 - a. Work on developing SAM education for our claims adjuster
 - b. Review is done quarterly – not annually
- 3. Risk Management
 - a. Visiting as many districts as possible, meeting with key contacts
- 4. Underwriting
 - a. Advantage of having multiple players in reinsurers, but we anticipate more struggle in getting SAM reinsurers
 - b. Will be looking more closely at higher deductibles for those districts who don't meet requirements
- 5. Legal
 - a. Legal making sure that our resources meet legal requirements to get our districts in compliance

Communications

- a. Feature McKenzie's resources and tips in all marketing

- b. SAAM month - twitter/facebook/marketing tips from McKenzie

Maintain competent staff

1. Administration
2. Financial
 - a. Prioritizing find someone who has financial expertise with systems analyst
3. Same matrix of succession
 - a. What do we with upcoming retirements?
4. Legal
 - a. Working on attorney salaries, allowing remote work.
 - b. Legal office in Bend