

FRIDAY, FEBRUARY 5, 2021

Via Zoom

*OSBA board members in attendance at meeting start:* President Maureen Wolf, President-elect Scott Rogers, Vice President Sonja Mckenzie, Secretary-Treasurer Patti Norris, Past President Kevin Cassidy, Sami Al-AbdRabbuh, ex officio Kelly Bissinger, Chris Cronin, Jackie Crook, Katrina Doughty, Linda Hamilton, Liz Hartman, Kris Howatt, Melissa LaCrosse, LeeAnn Larsen, Erika Lopez, Brandy Penner, Lori Theros

*OSBA staff in attendance at meeting start:* Executive Director Jim Green, Deputy Executive Director Mary Paulson, Chris Davidson, Jenny Fedler, Dave Harvey, Steve Kelley, Spencer Lewis, Haley Percell, Alex Pulaski, Lori Sattenspiel, Jane Leonhardt

*OSBA guests in attendance at meeting start:* Brent Davidson of DA Davidson, Fritz Duncan, and Kim Lyon of Jones & Roth

*OSBA board members not in attendance:* Terry Deacon, Libra Forde, Dawn Watson

**President Maureen Wolf called the meeting to order at 6:03 p.m.**

I. Roll call

Roll was called to assure a quorum.

II. Welcome and introductions

President Maureen Wolf welcomed new board member Katrina Doughty. Katrina introduced herself to board members. Jim introduced OSBA directors and staff.

*\*\*Jesse Lippold joined the meeting at 6:10 p.m.\*\**

Maureen welcomed new board member Jesse Lippold. Jesse introduced himself to board members.

Maureen outlined rules for running a virtual meeting. She encouraged everyone not to use chat during the meeting.

III. Approve agenda

**Motion: Patti Norris moved approval of the agenda as presented. Seconded by Kris Howatt.**

**There being no votes in opposition, the motion passed unanimously.**

IV. Consent agenda

A. Approval of minutes

1. December 2, 2020, OSBA Board of Directors meeting minutes

B. Acceptance of minutes

1. November 14, 2020, OSBA Annual Membership meeting minutes

2. January 13, 2021, Executive Committee meeting minutes
- C. Mid-year department written reports
  1. Litigation Services
  2. PACE Administration
  3. Legislative Services
  4. Policy Services
  5. Board Development
  6. Business and Technology
  7. Communication Services
- D. Calendar of OSBA and NSBA Events
- E. 2021 OSBA Board Committee list

**Motion: Sonja Mckenzie moved approval of the consent agenda as presented. Seconded by Chris Cronin.**

**There being no votes in opposition, the motion passed unanimously.**

V. Association

A. Financial reports

Jim indicated that annually financial audits are completed of the finances for OSBA, the Legal Assistance Trust (LAT), and the Local Government Center (LGC). OSBA is the fiscal agent for the operation of facilities at the LGC.

*\*\*Greg Kintz joined the meeting at 6:17 p.m.\*\**

Jim noted that during the reconciliation process journal entry errors were discovered in the OSBA records. Jim indicated it is important to recognize that these are clerical issues and that all funds are accounted for; there is no misappropriation of funds. These discrepancies were identified to the Finance Committee.

1. Audit results

Jim introduced Kim Lyon and Fritz Duncan of Jones & Roth, who will provide reports on all three entities. Kim began with summaries of the governance letters and financial statements regarding the Legal Assistance Trust and the Local Government Center. Best practices suggestions were made for strengthening internal controls and adherence to the capital assets policy, but nothing rose to the level of a significant deficiency. Both statements were found to be materially correct. Administrative expenses for the Legal Assistance Trust were consistent with previous years, but program expenses, which were all legal expenditures, went up because of the PERS litigation with City of Salem and OHSU.

Fritz indicated the management letters for all three entities show that there were no findings. The accounting systems are working very well. Fritz then outlined the reports for OSBA. The financials are materially correct. Total net assets were down because of a downturn in the market. There is good liquidity and good long-term investments set aside. He explained that some losses in the report were

due to planned expenditures. Fritz thanked board members for the opportunity to work with the association.

**Motion: Lori Theros moved acceptance of the audit results as presented by Jones & Roth, P.C. Seconded by Kris Howatt.**

A question was asked about the schedule for going out for a new auditing company, or at least requesting a different auditor within Jones & Roth. Jim indicated Chris Davidson is currently looking at the schedule for an RFQ, which would not disqualify the current auditors. Fritz indicated they rotate managers every three years.

**There being no votes in opposition, the motion passed unanimously.**

*\*\*Fritz Duncan and Kim Lyon exited the meeting at 6:41 p.m.\*\**

2. OSBA investment report

Brent Peterson of DA Davidson introduced himself. He provided historical and current information on OSBA's assets and portfolio. Throughout the market fluctuations the past year OSBA's cash flow didn't change much. Brent indicated he had long thought interest rates would fall, so had planned investments accordingly to the benefit of the portfolio. He feels the market will be stuck in a low interest environment for a while so OSBA's portfolio will not be earning money on short term investments which will impact local government investments in the coming months. Brent indicated the Finance Committee is looking to add flexibility in the investment policy to minimize risk while looking to expand investment into equities. This will be accomplished via preferred stocks with higher yields to balance safety of principal with cash flow. In addition, the Finance Committee will seek the board's approval to allow the executive director to invest in real estate. Questions were raised about investment transparency and accountability by adopting environmental, social and government investment practices.

3. Finance Committee report

Patti Norris reported that the Finance Committee met on January 26, 2021. The committee reviewed all finance statements, audit reports, and investment documents and talked about internal controls that need to be put in place. They also began the discussion on changes to the Finance Manual.

**The meeting recessed at 7:11 p.m.**

**The meeting reconvened at 7:19 p.m.**

B. Conflict of interest and ethics overview

Jim asked members to review the memo and Oregon Government Ethics Guide for Public Officials beginning on page 129 of the meeting packet. He asked board members to sign

the Conflict of Interest Acknowledgment and Disclosure form and return it to Jane Leonhardt. Jim outlined items that could constitute a conflict of interest.

C. OSBA Operating Agreements

Maureen referred to the Operating Agreements on pages 191-193 of the packet which were last updated in June of 2019. No changes to the document are requested at this time, and the board is being asked to readopt. A request was made to incorporate virtual meeting protocols within the Operating Agreements. Jim requested the board to adopt the document as presented. Staff will bring protocols for virtual meetings back to the board for adoption at a later date.

**Motion: Sonja Mckenzie moved the board approve the OSBA Operating Agreements as presented. Seconded by Greg Kintz.**

**There being no votes in opposition, the motion passed unanimously.**

D. OSBA elections

1. Election results

Jim indicated voting closed on December 18, 2020 and referred to page 195 of the meeting packet for results of the election. Jim congratulated winners of the contested seats.

2. 2021 election calendar

Jim provided a reminder that OSBA Bylaws require the board to adopt the election calendar annually. Timelines and dates in the calendar are set in the bylaws. Elections in 2021 will be for even-numbered board positions and all LPC seats, plus resolutions, if any.

**Motion: Scott Rogers moved approval of the 2021 election calendar as presented. Seconded by Erika Lopez.**

**There being no votes in opposition, the motion passed unanimously.**

Maureen pointed out that Libra Forde has taken over as OSBA's representative on the OCCA Board of Directors. She thanked Patti Norris for her past service in that position.

E. Appointments

1. OSBA representative on PACE Board of Trustees

a. Dawn Watson, Phoenix-Talent SD

Dave Harvey, PACE Administrator, reported that OSBA Policy 3500 dictates that the PACE board consist of nine members, and that one of the positions be filled by a member of the OSBA board of directors. Dawn Watson indicated she is willing to serve in that capacity, taking the place of Craig Prewitt who resigned from his school board last this year.

**Motion: LeeAnn Larsen moved the board approve appointment of Dawn Watson to serve as the OSBA representative on the PACE Board of Trustees. Seconded by Sami Al-AbdRabbuh.**

**There being no votes in opposition, the motion passed unanimously.**

2. PACT Board of Trustees, three-year terms ending June 30, 2023
  - a. LeeAnn Larsen, Beaverton SD (representing the OSBA Board of Directors)
  - b. Debbie Laszlo, Risk & Benefits Manager, Redmond School District
  - c. Jordan Ely, CFO, Gresham-Barlow SD
  - d. Dr. Phil Long, Superintendent, Butte Falls SD
  - e. Matt Mejia, Business Manager, Malheur ESD

Jim Green explained that PACT was created in 1988 to provide property and liability coverage for school districts, ESDs and community colleges. It was discontinued in 2006 when PACE was formed. PACE agreed to provide claim services for matters arising when PACT was active if the statute of limitations hadn't run. It was later learned that PACT was not properly closed, and that the PACT Trust still legally exists. Claims have been filed recently against PACT members that have resulted in substantial jury awards and negotiated settlements. Many of these claims are sex abuse and molestation claims. Dave Harvey explained that the reason for appointing a PACT Board of Trustees is to receive claims for actions that occurred while an entity was insured by PACT. The PACT board will assign claims to PACE for payment, then get funds back from the reinsurers to reimburse PACE. Dave indicated he believes sex abuse and molestation claims will continue. Precedence has been set that claims can be filed when a victim remembers the abuse. The statute of limitations is no longer a viable defense. Dave reached out to five people and all have indicated they are willing to serve on the PACT Board of Trustees. One of the five trustees will be a member of the OSBA Board of Directors. The board will meet at least once a year to assign claims.

**Motion: Sami Al-AbdRabbuh moved the board appoint LeeAnn Larsen, Debbie Laszlo, Jordan Ely, Dr. Phil Long, and Matt Mejia to the PACT Board of Trustees for three-year terms ending June 30, 2023. Seconded by Kris Howatt.**

**There being no votes in opposition, the motion passed unanimously.**

F. Proposed revisions to OSBA Investment Guideline  
Mary Paulson reported that the Ad Hoc Finance Committee met twice to review and recommend revisions to OSBA's Investment Guideline. Revisions were brought to the board of directors for a first reading in December 2020 and are being brought back for final approval.

**Motion: Linda Hamilton moved the board adopt proposed revisions to the OSBA Investment Guideline as presented. Seconded by Jesse Lippold.**

**There being no votes in opposition, the motion passed unanimously.**

- G. Proposed Guideline: Purchasing Real Property - Parameters for Executive Director

Mary indicated the Ad Hoc Finance Committee met in November 2020 to review staff recommended additions to the investment guideline to include real property as an investment opportunity. A guideline was drafted to outline the process and parameters to be followed by the executive director when the purchase of real property is being considered. This guideline was brought to the board for a first reading in December 2020 and is being brought back for final approval.

**Motion: Linda Hamilton moved the board approve the proposed guideline, Purchasing Real Property – Parameters for Executive Director, as presented. Seconded by Melissa LaCrosse.**

**There being no votes in opposition, the motion passed unanimously.**

- H. Proposed revisions to OSBA Policies  
1. Policy: 4100 Budget, and Policy: 4410 Annual Distribution from Investments

Mary reported that the Ad Hoc Finance Committee reviewed and recommends revisions to OSBA Policy 4100 Budget, and Policy 4410 Annual Distribution from Investments. Recommended changes were then sent on to the Policy Committee for consideration and approval. Finally, revisions to the policies were brought to the board of directors for a first reading in December 2020 and are being brought back for final approval.

**Motion: Sami Al-AbdRabbuh moved the board adopt revised Policy: 4100 Budget, and Policy: 4410 Annual Distribution from Investments, as presented Seconded by Kris Howatt.**

**There being no votes in opposition, the motion passed unanimously.**

VI. Meeting recesses until 9:00 a.m. on Saturday, February 6, 2021  
**President Maureen Wolf adjourned the meeting at 7:51 a.m.**

SATURDAY, FEBRUARY 6, 2021

Via Zoom

*OSBA board members in attendance at meeting start:* President Maureen Wolf, President-elect Scott Rogers, Vice President Sonja Mckenzie, Secretary-Treasurer Patti Norris, Sami Al-AbdRabbuh, ex officio Kelly Bissinger, ex officio Jerry Colanna, Chris Cronin, Jackie Crook, Katrina Doughty, Libra Forde, Linda Hamilton, Liz Hartman, Kris Howatt, Greg Kintz, Melissa LaCrosse, LeeAnn Larsen, Jesse Lippold, Brandy Penner, Lori Theros

*OSBA staff in attendance at meeting start:* Executive Director Jim Green, Deputy Executive Director Mary Paulson, Chris Davidson, Jenny Fedler, Dave Harvey, Steve Kelley, Spencer Lewis, Haley Percell, Alex Pulaski, Lori Sattenspiel, Jane Leonhardt

*OSBA board members not in attendance:* Past President Kevin Cassidy, Terry Deacon, Erika Lopez, Dawn Watson

**President Maureen Wolf called the meeting to order at 9:01 a.m.**

I. Roll call

Roll was called to assure a quorum. Maureen welcomed Jerry Colanna representing the State Board of Education.

II. Advocacy

A. 2021 Legislative Session update

Lori Sattenspiel provided an update on the ongoing Oregon legislative session and matters at the federal level. She noted attendance at the Friday legislative updates has been good, and that the ability to submit questions ahead of time has been very helpful.

*\*\*Krista Parent joined the meeting at 9:19 a.m. \*\**

III. Association

A. Executive Director's mid-year report

Jim outlined his goals and summarized the work of the association in the last year. He explained that although he had wanted to focus on what the association was doing to move forward, that changed when the pandemic hit, and a significant amount of time was spent supporting members. He expressed hope that going forward he can focus on the visionary work of how to improve outcomes for students.

B. 2021-22 board goals

Jim referred to page 3 of the meeting packet. In 2020 the work of the association was sidelined to address issues related to the pandemic. He proposed the board come to consensus that the current goals remain in place for 2021-22. Staff will refine their action plans to direct how the board goals will be reached and to align the goals with the 2021-22 proposed budget. The board had also requested an equity lens over the goals of the association. This is a longer discussion, but the board can hopefully get together in

person in September for a facilitated discussion. Consensus of the board was reached to keep the goals in place for 2021-22.

C. Report on gender equity issues

Jim introduces Krista Parent, Director of Leadership and Licensure for the Coalition of Oregon School Administrators. Krista presented information on gender equity in Oregon Superintendents, including barriers faced by female superintendents and recommendations for creation of equitable policies and practices in education.

IV. Meeting adjourns

**President Maureen Wolf adjourned the meeting at 11:06 a.m.**