

SDAO  
NEWS & RISK MANAGEMENT REVIEW  
FALL 2019



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## SDAO

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## SDAO Mission

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The mission of the Special Districts Association of Oregon is to assist special service districts in providing cost-effective and efficient public services to the people of Oregon.

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— SDAO Board of Directors —

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Frank Stratton

— Services —

Awards, Education and Training, Internship Grant, Legislative, Research and Technical Assistance, and SDAO Advisory Services, LLC

— Contact —

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Workers' Comp Email: [wc@sdao.com](mailto:wc@sdao.com)





# New Resources Available for SDAO Members

By: Frank Stratton, Executive Director

To best serve our members, we are continually seeking to provide top notch service and benefits. It is our goal to be proactive in addressing the needs of our districts as well as listen to the suggestions given to us by those that serve special districts each day. I am excited to announce that our staff has been hard at work and have created the following new resources that we are confident your district can utilize for years to come.

## Board Member Recruitment Toolkit

In order to help you recruit new board members, we have put together the SDAO Board Member Recruitment Toolkit. This toolkit is designed to assist you with recruiting board members to run for open board positions or fill vacancies. We have included the following sample resources for you to use to in your recruitments:

- **Recruitment Checklist**
- **Sample Press Release – Board Vacancy & Election**
- **Board Member Duties**
- **Reasons to Become a Board Member**
- **How to Become a Board Member**
- **Sample Board Member Application**

These materials have been created in Microsoft Word and can be downloaded from our website at [www.sdao.com/s4/resources/board-toolkit.aspx](http://www.sdao.com/s4/resources/board-toolkit.aspx) You can personalize these samples by inserting your district name, logo, or letterhead and filling in the information pertinent to your district within the body of the text. Also included are materials for board member orientation. After an individual is selected or elected, you can use these resources to introduce them to the district and their new role.

## Special District Fact Sheets

Our new special district fact sheets can be used with the Board Member Recruitment Toolkit or on their own for general marketing purposes. These fact sheets are available for 16 of our special district types and can be downloaded from our website at [www.sdao.com/s4/resources/fact-sheets.aspx](http://www.sdao.com/s4/resources/fact-sheets.aspx) We will continue to work on developing more fact sheets with the goal of having each of our member types represented.

## SDAO Academy

Succession planning and preparing special district employees to take on management roles is becoming so important with many managers beginning to retire. Our professional development program was developed to offer current, in-depth training and education opportunities for special district employees in the early-to-mid stages of their

careers to further their personal and professional growth. Training topics in three specialty areas are offered including district management, human resources/personnel management, and risk management/operations. Knowledge and skills in these areas are critical elements required for success in local government management.

Certification will be based on a credit/point system (i.e. 5 credits per course and certification at 100 credits). A 100-point system will enable participants to earn 90 (core) credits from the SDAO curriculum and 10 (elective) credits from affiliate groups. Participants will be required to complete four training topics in each specialty area by attending the annual conference and/or a stand-alone regional seminar. Once enrolled in the program, participants will have a total of three years to complete the requirements.

We will soon be marketing the opportunity to participate this program. Please watch your mailbox and email inbox for more information.

Thank you for your continued membership. If you have any questions about these new resources, please contact our Membership Services Department at [MemberServices@sdao.com](mailto:MemberServices@sdao.com) or 800-285-5461.

# Farewell to *Luanne Richey*



## **Thank you for 25 Years** *of Dedication to the Members of SDAO*

Back when SDAO was an office of less than ten employees, Luanne Richey joined the team as an administrative assistant. Over the next 25 years, she worked her way up through various positions and settled into the role of Director of Membership Services. Luanne spent thousands of hours assisting the members of SDAO with their wide variety of questions and requests ranging from policy reviews to statute interpretations to last-minute executive session inquiries. She accumulated such a vast amount of knowledge that everyone – members and staff alike – knew they could rely on her for help with anything.

Luanne planned our conference, was in charge of trainings, assisted our pre-loss department,

managed the membership services department – and the list goes on. For the majority of us, we don't know SDAO without her.

This summer, Luanne decided that she was ready to start a new chapter in her life so she could have more time to spend with family and enjoy her favorite activities. August 30<sup>th</sup> was her last day with SDAO.

Luanne helped make our organization what it is today and while we know that she is enjoying new adventures and excitement, we already miss her greatly and wish her the best.





# 2019 *Portland* to *Coast* Relay



By: *Shanta Carter*

In August, a handful of our employees participated in the 2019 Portland to Coast Relay. This is a 130-mile walking relay that starts at OMSI in Portland, continues through the beautiful mountains, and ends at the beautiful beaches of Seaside. The weather Friday and Saturday made for ideal relay conditions. The relay was a challenge of endurance and perseverance, but with the encouragement and cheers of other team members, the SDAO

team was able to finish in 29 hours and 40 minutes, placing us 8th out of 64 teams in our division and 66th out of 371 teams overall. Once across the finish line, the team enjoyed the downtown Seaside restaurants and scenery. They made their way back to the beach to visit the medic tent for a few band aids, listened to the band, visited with fellow walkers and runners, and celebrated our accomplishment.





# SDAO Member *Scholarship* Golf Tournament

On September 13th, we held our annual golf tournament and scholarship fundraiser at the Chehalem Glenn Golf Course in Newberg. The weather was perfect – warm and dry. The tournament began in the late morning and ended in the early evening with dinner, raffle prizes, and an awards presentation. The following teams and individuals took home awards:

- **First Place Team: Tualatin Hills Park and Recreation District**
- **Second Place Team: Belfor**
- **Team Spirit Award: Tangent RFPD**
- **Men's Closest to the Pin: Royce Marlin and Hector Blanco**
- **Women's Closest to the Pin: Janelle Gago and Beth Plass**
- **Men's Long Drive: Troy Schrader and Mike Doherty**
- **Women's Long Drive: Janelle Gago**
- **Putting Champ: Donny Smith**

The golf tournament is funded by player registration fees and sponsorships. All proceeds earned go to SDAO and SDIS training scholarships for our members. Utilizing funds generated from last year's tournament, we were able to cover \$12,000 worth of training registration fees for our members in 2019. While numbers from this event haven't been fully processed, we are looking forward to offering training scholarships again next year.

We'd like to thank all of the players and sponsors who helped make this a successful event. We look forward to seeing you all again next year!

## THANK YOU to our Sponsors!

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*Belfor Property Restoration  
Brown & Brown Northwest  
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WHA Insurance*

### GOLD

*Cummins, Goodman, Denley, & Vickers P.C.  
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### HOLE & CONTRIBUTING

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Sussman Shank LLP*

# *Special Districts* CONSULTING SERVICES

The Consulting Services Program is having a great year assisting and supporting our members. With the update and distribution of the Consulting Services Program brochure, we have received many calls from districts asking for assistance with management recruitment, organizational assessments, basic planning, and board trainings.

We recently wrapped up the SDAO regional board trainings, presented by Eileen Eakins and George Dunkel and held in Tigard, Newport, Redmond, Medford and Cottage Grove. The feedback from members that attended the trainings has been very positive. Eileen and George will be presenting together again at the SDAO Annual Conference in Seaside; so if you missed this training, make sure you attend their presentation in February.

It is our continued vision to be the premier choice and the first call by our members for exceptional consulting services. We are ready to take your call and assist you with organizational assessments, management recruitments, basic planning, special projects and more. Even if you are not sure if we can help, please call or email us and we will be happy to point you in the right direction for services. We are here for you! And don't forget that we offer up to **eight hours of free consulting services** by one or more of our consultants. Some issues may require more time. After your first eight hours are exhausted, you will have the option of continuing at an hourly rate.

Our consultants are all experienced, professional practitioners who have worked in leadership roles in special districts throughout Oregon for a minimum of 25 years each. Their hands on experience provides them with a depth of knowledge, experience, and professional connections that will help members address troubling personnel, board, community, financial, and operational issues.





# Meet Rob Mills, Senior Consultant



## How did you come to be a consultant for SDAO?

As a new board member a few years ago, I became interested in why some special district boards function well and others seem to have trouble. My background as a management consultant kicked in and started me thinking about a way to help district boards assess how well they're functioning, make improvements if needed, and become better risk managers. That led to developing the Board Practices Assessment (BPA), a consulting tool that I presented to Frank Stratton and George Dunkel in 2012. After experimenting and refining the tool for about a year, I joined SDAO's Consulting Services as the BPA facilitator. To date, well over 100 district boards have used the service.

## What excites you most about the work you do for SDAO?

Interesting, rather than exciting, better describes the work I do with the Board Practices Assessment. "Interesting" because it's mostly about dedicated, well-intending people who are volunteering their time on special district boards to help provide

valuable services for their communities. It's about some of the remarkable things they accomplish as well as the problems they encounter, often due to their own "sins of omission and commission". And the most interesting (and hopeful) part to me is that few of their problems are unsolvable.

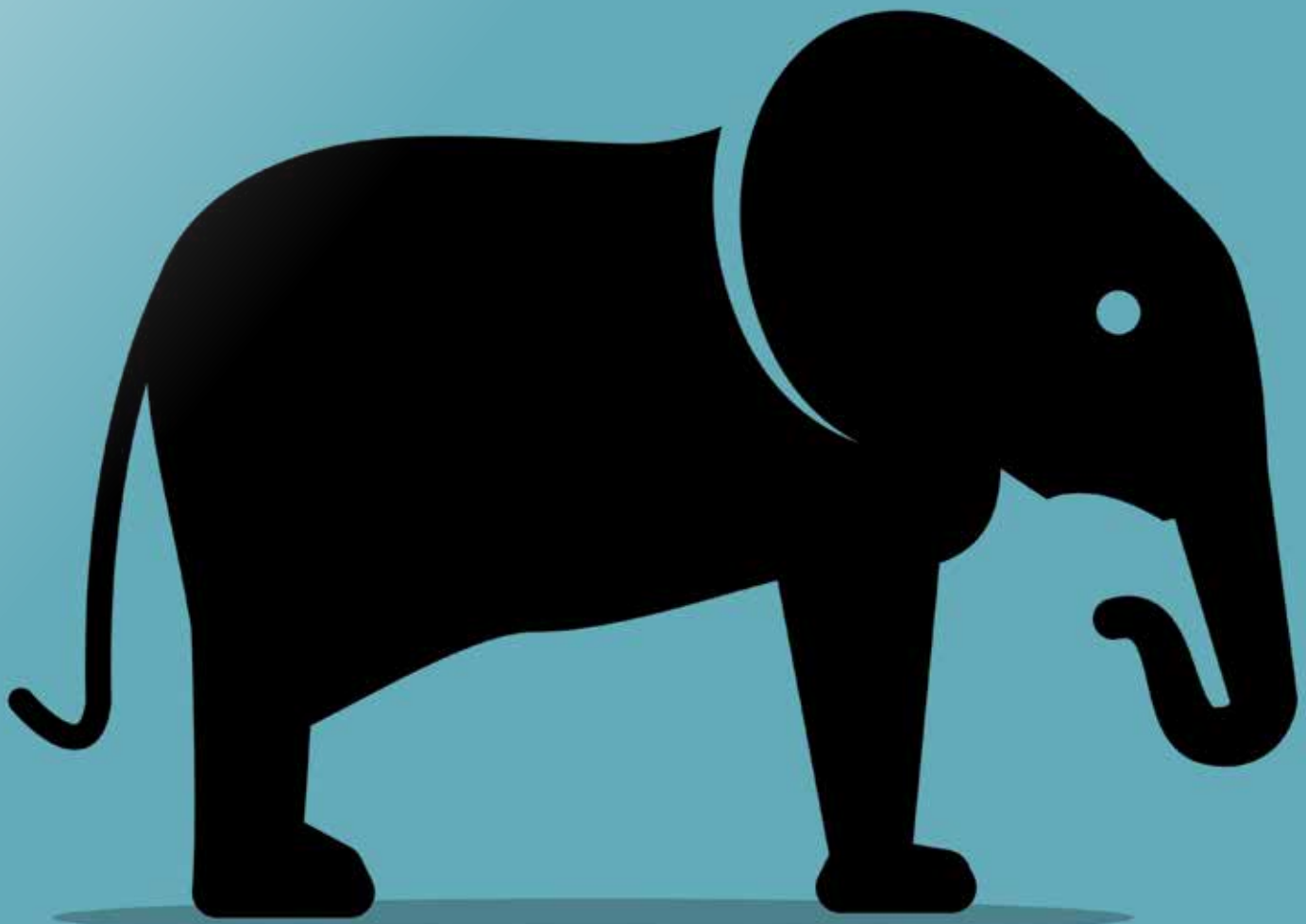
## Tell us about your life outside of your day job(s).

My wife and I live on the coast in a home we built for retirement about twelve years ago. I'm pretty much a homebody and love being here surrounded by trees and a distant view of the ocean. One of my great pleasures is keeping a healthy supply of firewood on-hand. Three chainsaws, a few sharp axes, and a couple of beat up wedges and I'm a happy man. Another great pleasure is serving on the Seal Rock Water District (SRWD) Board of Commissioners – make that "the award-winning SRWD", since being honored as such at the February conference. They are a great group – office staff, field crew, board members – and it's a privilege to be associated with them all.

For more information about the Consulting Services Program, please contact us at [sdaoconsultingservices@sdao.com](mailto:sdaoconsultingservices@sdao.com) or call us at 800-305-1736. We look forward to talking with you.







Asking tough questions and raising thorny issues may not make us the most popular person in the room, but they go with the territory of being a board member or part of a management team. Even when we're encouraged to "call things out" and "speak truth to power", it can be uncomfortable – sometimes threatening – to bring up real issues underlying tough problems. But left unstated, these issues become roadblocks to problem-solving.

When the board members of a small, rural fire district finally recognized the gnarly personnel problem they had on their hands, some of the damage had already been done. Months of run reports, OSHA warnings, and even alerts from their office manager had indicated things weren't

right. But board members were slow to respond. They knew the supervisor should be held more accountable for running a properly credentialed, suitably equipped, motivated crew. And they were frustrated with his lack of responsiveness to the directions they gave. Still, as one board member put it, "We were lax in addressing deficiencies."

Why was it so difficult for this board to get around to dealing with the problem? Their "elephant in the room" – the inconvenient truth known privately to all but never openly discussed – was the distasteful prospect of confronting an employee whose family had given years of dedicated service to the district. Generations of family members had been volunteers with the district and were long-time, well regarded leaders in their tight-knit



# Tracking Elephants in the Room

*Rob Mills, SDAO Senior Consultant*



community. Board members feared their actions would not go down well with the employee, his family members, and the community. But they didn't talk about it.

Two events finally brought this board face-to-face with their "elephant". An internal emergency preparedness audit done by one of the experienced volunteers revealed deficiencies so serious that according to the office manager, "We may not have been allowed to continue operating." The elephant came into even sharper focus when board members reviewed the results of their Board Practices Assessment and realized that their low management practices ratings were actually playing out in their failure to address the personnel problem.

Together, these data points sounded a badly needed wake-up call for board members. In short order and with guidance from SDAO, they met with the employee for a formal performance review. Faced with the facts, he acknowledged that he really was not prepared to put in the time and energy it would take to meet the board's expectations and left the position. Whether the board's popularity has suffered from all of this is not known. What is known is that recognizing the elephant in the room – the real issue underlying their reluctance to deal with the problem – led this board to do the responsible thing by resolving a situation that had put the district in jeopardy.





# LEGISLATIVE UPDATES

*By: Mark Landauer and Hasina Wittenberg, SDAO Government Affairs*

Recently, the Office of Economic Analysis presented its first economic and revenue forecasts of the 2019-2021 biennium. There is not much fanfare to report except that Oregon's economy continues to chug along with higher wages, and continued economic expansion despite some cracks that are emerging in the economy.

Second quarter personal income tax collections were up \$260 million (8.1%) from the June forecast and personal income is up \$1.3 billion (0.6%) from the June forecast. Second quarter corporate income tax collections were down \$25.8 million (-6.2 %) from the June forecast and is up \$675 (62.7%) from the 2017 COS estimate. General Fund (GF) gross revenue is up \$2.245 million (11.5%) from the 2017 COS estimate and Net GF and Lottery resources are up \$2.062 million (12.2%) from the 2017 COS estimate.

As a result, Oregon's PERSONAL Kicker will kick to the projected tune of \$1.57 million (the 3rd largest kicker in the state's history) and the CORPORATE Kicker will kick to the tune of \$675.6 million which will be dedicated to K-12 education spending during this biennium.

Projected 2019-2021 combined net General Fund and Lottery resources are up \$324 million (1.3%) from the June Forecast. Currently, the state has healthy

levels of money in the Educational Stability Fund and Rainy Day Funds that will temper any substantial reductions in revenues to the state.

One thing to keep an eye on is that the economists are predicting a reduction of 3.5% in available General Fund and Lottery Resources in the 2021-2023 biennium.

Generally speaking, the American economy is beginning to show cracks, particularly in the bond markets, manufacturing and trade policy. There is a 33% to 50% chance of the economy going into a recession in the next year. What is really helping the country stay out of a recession at the moment is consumer spending which remains strong. However, if American consumers stop spending and having a positive outlook, the likelihood of a recession will increase. Oregon is experiencing slower growth but there is still job growth and wage growth has really helped Oregon over the last three or four years.

Our legislative team is currently putting together a summary of the 2019 Legislative Session and will be mailing it to all districts this fall. Please keep a lookout for this as it will detail all the bills that passed that affect special districts.







# SDAO

2019-20

# Awards PROGRAM

*Submission deadline extended to*  
**October 11, 2019**

The Special Districts Association of Oregon's Awards Program gives recognition to member districts for accomplishments which allow them to provide better service to the public and honors individuals who have greatly contributed to the success of their organization. These awards celebrate the ingenuity, creativity, and diversity of our members.



Within this program are two special recognition awards: the **Outstanding Special District Program Award** and the **Outstanding Special District Service Award**. It's time for you to nominate individuals and districts that provide exemplary public service!

## How do I submit a nomination?

Complete the 2019-20 SDAO Awards Program nomination form available at <http://ref.sdao.com/Awards/program.pdf>. Please respond to each question, attaching additional pages if necessary. Submit completed nomination forms to SDAO, PO Box 12613, Salem, Oregon 97309-0613 or email them to [sdao@sdao.com](mailto:sdao@sdao.com). Nomination forms must be received by **October 11, 2019** to be considered.

## How are entries judged?

The Awards Committee will review nominations in October using standard evaluation features such as: impact for other districts, positive results, special purpose, increased safety, cost savings, improved quality of service, innovation, and community need.

## What happens if the district or individual I nominate wins?

Award winners will be notified in November 2019. Winners may accept the award in person at the Awards Banquet during the SDAO Conference in Seaside on Saturday, February 8, 2020. Recipients who are unable to attend the conference may have someone accept the award on their behalf or request to have their award mailed to them.

## Who do I contact if I have questions?

If you have any questions, please contact Jennifer Quisenberry at 800-285-5461 or email [jquisenberry@sdao.com](mailto:jquisenberry@sdao.com). Your hard work, positive attitude, and commitment to excellence are appreciated. We look forward to receiving your nominations!



# Are Your District's Deposits Secure?

By: James Marta, James Marta & Company LLP



Is your district's bank balance higher than the FDIC's \$250,000 limit? If you are a government, you may be eligible for your deposits to be collateralized.

Collateralizing your district's deposits safeguards them in the event of an economic crisis or an institution filing for bankruptcy. While the FDIC insures against the unlikely event of a bank failure, their coverage is capped at \$250,000. So, if your special district has \$500,000 in deposits in a bank that fails, half of the money may be disbursed at a fraction of its original value, at an unknown point in the future. In this event, collateralization provides a path to recovery.

Put simply, collateralization is a depositor's guarantee of an asset (e.g. securities, bonds, letters of credit) to secure a deposit. The collateralization agreement is the legal document that defines the collateral and terms.

Collateralization rules can be complex. For starters they typically require asset value of 110 percent of the deposit. For example...

The Oregon State Treasurer "may require a depository, during any period when the depository possesses uninsured public funds deposits, to maintain on deposit with the depository's custodians securities that have a value not less than 110 percent of the greater of: (A) All uninsured public funds the depository holds; or (B) The average of the balances of uninsured public funds the depository holds, as shown on the last two immediately preceding treasurer reports." (2017 ORS 295.018)

While this excerpt highlights one aspect of the statute, it's important to understand how the rules governing collateralization apply to your organization. Rules may limit the type of political subdivisions that can invest funds; the depositor's capital-to-asset ratio; where deposits can occur (e.g. in state, out of state); the type of institution (e.g. bank, credit union); the percentage of your total deposits that can be in a single entity; eligible types of collateral; and more. In addition, there may be special rules for public bonds. It is your responsibility to understand your state's rules and what they mean to your district.

Collateralization doesn't replace good judgement in selecting your banking institution. In general, the institution should have sufficient assets to absorb a "big hit". Further, you must regularly monitor the pledge for issues such as overcollateralization



(higher fees) or under collateralization (greater risk). Ask your third-party custodian of the collateral for regular reports.

To get started, speak with your representative at bank headquarters to initiate the collateralization agreement. Once you obtain the agreement, file a copy with your business continuity documents for ready access in the event of a disaster.

Author: James Marta, CPA, CGMA, ARPM is an expert in risk management, executive leadership, refinancing and strategic planning.

**Resources**

Government Finance Officers Association, Best Practices for Collateralizing Public Deposits: <https://www.gfoa.org/collateralizing-public-deposits>

Oregon Statute: [https://www.oregonlaws.org/ors/295.018Deposits%20\(3\).pdf](https://www.oregonlaws.org/ors/295.018Deposits%20(3).pdf)

## Best Practices for Collateralization

- *Obtain a written collateralization agreement from the depositor.*
- *File the agreement with your critical business continuity documents.*
- *Read and understand your state laws for pledged collateral to ensure it meets the state statute.*
- *Collateral substitutions should meet the requirements of the original collateralization agreement.*
- *Pledged collateral should be held by an independent, third-party custodian.*
- *Require regular reporting from the third-party custodian.*

## SDAO Board of Directors

### *Upcoming Meetings*



**November 7 | 9 a.m.**

Joint Work Session with SDIS Board of Trustees, SDAO Salem Office

**November 7 | 1 p.m.**

Regular Board Meeting  
SDAO Salem Office

## New SDAO Board Member *Kathy Kleczek*



Kathy Kleczek was elected to represent the at-large section of membership on the SDAO Board of Directors at the 2019 SDAO Annual Conference, and on September 12th, she was sworn in. Kathy is the Board Chair for Sunset Empire Transportation District in Clatsop County. Kathy shared, "I'm honored and humbled to be elected to the SDAO Board and look forward to working with fellow Board members to continue the great work that SDAO does and to expand the services they provide their members." Welcome to the Board, Kathy!



# Save the Date!

2020 SDAO

## ANNUAL CONFERENCE

Join us February 7-9 in Seaside for the 2020 SDAO Annual Conference! Registration will open December 2nd but you can begin reserving your hotel rooms now. Seaside has plenty of lodging options which means we were able to secure several room block options for you. Rooms are available on a first come, first served basis and reservations must be made by January 5th to secure room block pricing.

### Registration Rates

- Pre-Conference Session (Thursday): \$100 – includes breakfast and lunch
- Full Conference (Thursday evening through Sunday morning): \$230 – includes all breakout sessions (Friday and Saturday), meals (excluding Friday dinner), receptions, and Awards Banquet
- One Day (Friday or Saturday): \$140 – includes breakout sessions and breakfast and lunch on the day selected

Prices for guest meals and the Awards Banquet will be available in December.

### Hotel Information

#### Best Western Ocean View Resort

\$89-\$139/night + tax  
800-234-8439  
Group Name: Special Districts  
Association of Oregon Members

#### Holiday Inn Express

\$135-\$145/night + tax  
503-717-8000  
Group Name: Special Districts  
Association of Oregon

#### River Inn at Seaside

\$109/night + tax  
503-717-5744  
Group Name: Special Districts  
Association of Oregon 2020

#### Comfort Inn & Suites

\$135-\$170/night + tax  
503-738-3011  
Group Name: Special Districts

#### Inn at Seaside

\$109/night + tax  
503-738-9581  
Group Name: Special Districts  
Association of Oregon 2020

#### Rivertide Suites

\$119-\$189/night + tax  
503-717-1100  
Group Name: Special Districts  
Association of Oregon Members



# SDAO Members *in the* news

Find additional news clippings online at [www.sdao.com](http://www.sdao.com) > Newsroom

## **Paying for the LTD bus? There's a new app for that**

Eugene Register Guard | 7/26/2019

Starting next month, Lane Transit District bus riders will be able to pay their fare by smartphone. The TouchPass Transit app, which goes online Aug. 1, allows bus riders to pay by holding their phone next to a reader as they board the bus, said Mark Johnson, LTD assistant general manager. "This makes it really convenient for people to pay," he said.

Please visit <http://bit.ly/2p3Kqtm> to read more.

## **USDA invests \$11.8 million in Seal Rock drinking water infrastructure**

Lincoln City News Guard | 8/11/2019

The U.S. Department of Agriculture (USDA) Rural Development is providing \$11.8 million to establish a reliable water source and build infrastructure to treat drinking water for the rural community of Seal Rock on the Oregon Coast, announced State Director John Huffman. "Building resilient infrastructure is critical for the health, safety and economic vitality

of all communities, but it can be especially difficult for small, rural towns to afford," Huffman said. "With today's funding, Seal Rock will be able to provide safe drinking water for local residents and businesses in good weather and bad."

Please visit <http://bit.ly/2p0ToJk> to read more.

## **Keizer firefighters grant birthday wish — for 104-year-old woman**

Statesman Journal | 9/19/2019

All Fern Gleason wanted for her 104th birthday was cute firefighters to sing to her. Keizer Fire District granted her wish. Seven male firefighters from an engine and two medic crews surprised her Sunday, Sept. 15, at the assisted living facility where she resides, belting out a respectable rendition of "Happy Birthday." The department often gets similar requests, although usually for a child's birthday. "But when you turn 104, you get whatever you want," Deputy Fire Marshall Ann-Marie Storms said. "I cannot confirm or deny if she got cute firefighters, but she got firefighters."

Please visit <http://bit.ly/2nDn5OL> to read more.

## RESOURCES AT YOUR FINGERTIPS

Have you signed up for members only access on the SDAO website? Members who have created a login can access our Reference Library, online training videos, SDAO publications, membership directory, and more! If you don't already have access to these valuable resources, just visit our

website at [www.sdao.com](http://www.sdao.com) and select the Create Account link at the upper-right-hand corner of the page. Enter your information and our Member Services team will confirm your access within two business days.



*Providing reasonable, stable rates, and  
broad coverage to Oregon's public entities*

## SDIS Board of Trustees

- Chair:** Andrea Klaas, Port of The Dalles
- Vice Chair:** Ted Kunze, Molalla RFPD #73
- Secretary:** Mark Hokkanen, Tualatin Hills Park & Recreation District
- Treasurer:** Stacy Maxwell, Jackson County Fire District 3
- Trustees:** David Lindelien, Lane Transit District  
Mike Jacobs, Tualatin Valley Water District

## Services

- Background Checks
- Claims Administration
- Drug-Free Workplace
- Management Consulting Services
- On-site Loss Control Consultations
- Pre-Loss Legal Services
- Safety and Security Grant Program
- SDIS Insurance Programs

## **Next SDIS Board of Trustees Meetings**

**Nov. 6 | 1 p.m. | Regular Trust Meeting | SDAO Salem Office**

**Nov. 7 | 9 a.m. | Joint Work Session with SDAO Board of Directors | SDAO Salem Office**





The deadline for the SDIS Best Practices Program is quickly approaching! This year's program offers each district up to a 10% credit on 2019 general liability, auto liability, and property insurance contributions. There are five opportunities to earn 2% toward your total discount. These opportunities include the following:

1. *Affiliate Organization Membership - Credit: 2%*
2. *Public Records Checklist - Credit: 2%*
3. *Public Records Policy - Credit: 2%*
4. *Online Training - Credit: 2%*
5. *SDAO/SDIS Training - Credit: 2%*

Completion of the Best Practices Survey (located online on the SDIS Insurance Site) is required to receive credit. The survey must be submitted by a district representative who will verify completion of the credit requirements within the survey. Please note, each district is responsible for completing their own survey online. ***The deadline to complete the survey is November 1, 2019.***

### Survey Instructions

- *Sign in at [www.sdao.com](http://www.sdao.com)*
- *Click on Insurance Site*
- *Then, click on Insurance located on the left*
- *Next, click on Best Practices located on the left*
- *Click Take Survey*
- *Once in the survey, check all of the applicable boxes. After you have completed, click Save at the top right of the screen.*

After clicking Save, the survey has been submitted. If you refresh the survey and the boxes are still checked, we have the information. Did you forget to check a box or later complete a requirement? That's okay. You can come back and edit the survey all the way until the ***November 1<sup>st</sup> deadline.***

If you have any questions regarding the Best Practices Program or need help completing it online, please contact Jaime Keeling at [jkeeling@sdao.com](mailto:jkeeling@sdao.com) or 800.285.5461, ext. 122.

# 2019 Best Practices Program *Survey Open!*

***Deadline: November 1, 2019***







# Schedule Your Annual Insurance Review

By: SDAO Underwriting Department

As inevitable as the changing of the leaves, so too is the rapidly approaching SDIS renewal. Every year during this time, we at SDAO are preparing for the upcoming SDIS property and casualty coverage renewal, which occurs on January 1st. On or around October 1st, we will release update packets and post them to the Insurance Portal. These update packets include important memos and instructions for the renewal as well as all your property, auto and equipment schedules. Now is a great time to schedule an annual insurance review with your insurance agent of record, who will be able to download your update packet and review your policy with you.

SDIS requires all members to utilize an insurance agent for obtaining and maintaining their coverage through us. The objective of this policy is to ensure you, the SDIS member, has an insurance professional that represents your district to SDIS and can act as a communication bridge between SDIS and your district. You chose your agent because they understand your operations, are aware of what makes your district unique and understand your insurance requirements. This also makes their services invaluable to helping us meet your coverage and risk needs.

When you schedule your annual insurance review, we suggest you make a 'punch list' of items to address with your agent:

- Discuss any new property, auto or equipment sales or acquisitions.
- Review your property, auto and equipment schedules for accuracy. This could save your district money if, for instance, your buildings have fire and security alarms, but that is not currently indicated on your schedule, or your buildings are in a different fire protection class than what is currently indicated on your schedule.
- Discuss any potential new programs or services your district intends to provide. These could have coverage implications your agent can help you understand.

- Discuss any changes your district's operations, such as contracts for major services, or tools used to carry out your operations such as drones, boats or digital systems.
- Discuss accidents or claims your district may have had over the course of the year to make sure claims have been turned in.
- Discuss any other changes happening at your district that may affect your budget. This may affect your contribution.
- Discuss your progress with the SDIS Best Practices Program.
- Review your claims history to identify areas where your agent can coordinate with our risk management department for suggestions or trainings.
- Discuss any upcoming contracts in which your district may be engaging. Your agent may be able to weigh in on the coverage implications and the contract's insurance requirements.

- Discuss any potential upcoming coverage or rate changes that SDIS may be implementing for the coming renewal.

Ideally, most of these punch list items should be discussed with your agent throughout the year as the issues arise. However, this is a great time to make sure nothing was missed throughout the year and that your district, your agent and SDIS are all on the same page for the new year.

Also, be sure to visit the SDIS Insurance Portal yourself so that you know what your agent is looking at when they are making changes. This is also the tool you can use to complete your Best Practices Survey, download important documents and upload photos of your properties. If you have never used the Insurance Portal, simply visit [www.sdao.com](http://www.sdao.com) and follow the 'Create Account' link at the top-right of the page. Once your login is completed and we have granted you access, just log back in and select the 'Insurance Site' link.

For any other questions regarding SDIS coverage or services, please contact us at [underwriting@sdao.com](mailto:underwriting@sdao.com).



## You are invited to our 2019 regional **Risk Management Trainings**



**Oct. 01** | **Tigard, OR**  
Oregon Medical Association  
11740 SW 68th Pkwy. #100  
Room - TBD

**Oct. 08** | **Redmond, OR**  
Eagle Crest Resort  
1522 Cline Falls Rd.  
Room - CD

**Oct. 15** | **Medford, OR**  
Inn at the Commons  
200 N Riverside Ave.  
Room - Cascade/Jackson Room

*All trainings will be held from*  
**9 a.m. - noon**

**Oct. 16** | **Cottage Grove, OR**  
Village Green Resort  
725 Row River Rd.  
Room - Cascadia Ballroom

**Oct. 23** | **Newport, OR**  
Best Western Agate Beach  
3019 N Coast Hwy.  
Room - Cove Room

To register for this training visit <https://cvent.me/mY8lr>



# Report *School Fires* Program

## Grant Opportunity for Fire Districts

*By: Troy DeYoung, Risk Management Consultant*

In 2005, we worked with the Oregon Office of the State Fire Marshal to develop a program to improve reporting on school fires. The program consists of a video, brochure, sprinkler system checklist, school surveillance sign-up sheet, and reward and reporting law posters. The number one goal of the program is to get schools throughout Oregon to report **every fire, every time, any size** and **anywhere** fires were started on school grounds. Other goals of the program are to:

- *Help foster the relationship between the fire district and the school district*
- *Inform the school district that statutorily they are required to report all fires regardless of size or location*

- *Encourage the districts to partner with volunteers and community groups to drive by the school during non-school hours/days when buildings are most vulnerable to arson*
- *Develop a system for schools and fire districts to encourage students to report information related to arson fires*

Since the program's inception, SDIS has provided a **\$500 grant** to its member fire districts who have agreed to present the materials to the local school district administrators. To date we have provided this grant to over 100 fire districts and have worked with several nonmember districts/departments to have the materials presented to their local schools.

If your district is interested in receiving a grant and the materials needed to present this program, please contact Troy DeYoung at **[tdeyoung@sdao.com](mailto:tdeyoung@sdao.com)** to see if you are eligible. To be eligible your district must have a public school within district boundaries and cannot have already received this grant in the past.





# *Fall is Here,* Drive Accordingly.

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*By: Jens Jensen, PC Claims Manager*

As autumn approaches, the Claims Department at SDAO often sees a sharp increase in weather-related auto accidents that are a result from turning, stopping and problems with vision. It's getting darker earlier, leaves on the street create an extremely slippery surface, and the first signs of frost are just around the corner. SDAO is concerned for the safety of our members and wishes to offer these simple but effective tips as we transition to fall and eventually winter.

Be aware of slippery conditions that occur with frost. At freezing or near freezing temperatures, the moisture on bridges and overpasses will become icy much more quickly than the approaching street. We have had a number of claims involving automobiles that end up in a ditch or towards oncoming traffic from this simple but often overlooked transition point. It is easy to quickly go from water on the road to ice in just a few feet.

School buses are as common in the fall as dandelions in the spring. Be particularly careful around them. Your responsibility in the presence of a bus with an extended stop arm and flashing lights is to stop and remain stopped until the warnings are

withdrawn, regardless of your direction of travel. Also remember that the maximum speed in schools zones is 20mph. Please take extra care in these areas as children are often unpredictable and can dart out without warning.

Fall weather can present challenges to drivers. Rain, fog, sleet and wet snow require full driver attention. Increase your following distance as conditions worsen. If you are being tailgated, let the other driver pass.

Make sure your headlights, tail lights and turn signals are all working properly and check them periodically. Turn your headlights on as soon as the light begins to fade or keep them on whenever you are driving for extra visibility. If driving a large vehicle and you are with a co-worker, have the co-worker be your spotter as you back up. This might be a pain, but certainly not worse than the forms and incident reports you'll have to complete if you have an accident.

Common sense along with the basics of safe driving can help you travel safely in the fall.





# Live Well, Work Well

Health and wellness tips for your work, home and life—brought to you by the insurance professionals at The Partners Group



## BRAIN AWARENESS: USE IT OR LOSE IT

The brain's capacity is enormous, yet many scientists suggest that we only use a small percentage of our brain. What are you doing to maximize your brain's potential?

### Brain Functions

Your brain helps you analyze sensory data, remember information, learn new information, create thoughts and make decisions.

It is divided into halves called cerebral hemispheres and each hemisphere is further divided into four lobes: frontal, parietal, temporal and occipital. Each lobe has its own responsibilities. The frontal lobe is responsible for cognition and memory. The parietal lobe processes sensations related to touch. Visual perception is controlled by the occipital lobe. The temporal lobe is responsible for auditory senses.

The brain, like many other organs, ages. The aging brain is responsible for a decline in memory, decision-making ability and verbal skills.

### Exercise Your Brain

There are many ways that you can delay the aging of your brain:

- **Exercise your mind**—Challenge your brain daily by making note of last week's activities, working on crossword puzzles, trying a new hobby or reading more books.

- **Exercise your body**—Physical exercise reduces depression and other cardiovascular risks. It also produces a euphoric state by releasing endorphins.
- **Eat healthy**—Eating foods low in cholesterol and saturated fats, in addition to eating breakfast daily, can jump-start your brain. Also, protect your brain with antioxidant vitamins E and C.
- **Focus on safety**—Wear protective head gear when enjoying physical activities like riding a bike or snowboarding. Wear a seat belt to protect your head from trauma in case of a car accident.
- **Get plenty of sleep**—Lack of sleep leads to mental fatigue and loss of memory. Try to get seven to nine hours of sleep each night.
- **Reduce stress**—Stress can lead to memory loss. High stress releases cortisol in the brain, which absorbs the brain's primary food source, glucose. Reduce stress with exercise, meditation or a quiet activity you enjoy.

*Article by: The Partners Group*

This article is for informational purposes only and is not intended as medical advice. For further information, please consult a medical professional. © 2007-2009, 2012, 2014, 2017-2018 Zywave, Inc. All rights reserved.

# Online Drone Pilot Training

SDIS members who are interested in training to become a drone pilot but are unable to attend our in-person classes or prefer self-study can now access a free online training course through Drone Pilot Ground School.

Drone Pilot Ground School is the number one online course for those looking to become FAA-certified drone pilots. They have helped over 17,500 students get their FAA Remote Pilot Certificate, and their program boasts:



- **70+ Video & Text Lessons** — *Whether you learn best by listening, reading, or doing, they use all of these tactics to help you learn. They even have closed captioning in all of their videos.*
- **Lessons, Quizzes & Five Full-Length Practice Tests** — *They offer full explanations for each question, so you know why a certain answer is correct.*
- **Real FAA Practice Questions** — *Master the FAA's test concepts with their database of 350+ multiple choice questions. After completing a practice test, you'll be emailed a performance report and a breakdown of your incorrect responses.*
- **Personal Support** — *Receive support over the phone, email, and through a voice-messaging system built into each lesson.*
- **Bonus Lessons** — *Don't just pass the test. Learn about topics like flight operations management, how to conduct airspace research, and how to get controlled airspace authorization or apply for FAA waivers.*

We have 50 licenses available for this online training. They will be distributed on a first-come, first-served basis and will be **limited to one (1) license per district**. Please contact Sandy Galaway for your license at [riskmanagement@sdao.com](mailto:riskmanagement@sdao.com).

If you have any questions regarding this program, please contact the Risk Management Department at [riskmanagement@sdao.com](mailto:riskmanagement@sdao.com) or 800-285-5461.





# OREGON PAID FAMILY AND MEDICAL LEAVE

Employers in Oregon must provide up to 12 weeks of paid leave to eligible employees beginning January 1, 2023, under the bill (HB 2005) passed by the state legislature. Oregon becomes the eighth state (after Connecticut) to require paid family and medical leave for eligible employees.

## Eligibility and Benefits

The new law requires employers to provide their workers with a maximum of 12 weeks of paid leave, with total paid and unpaid leave capped at 16 weeks (or up to 18 weeks for women who experience complications due to pregnancy or childbirth).

Eligible employees must have received at least \$1,000 in wages during the base year to be eligible for the Family and Medical Leave Insurance (FAMLI) Program. Eligible employees may begin to receive benefit payments beginning January 1, 2023.

## Benefits will be provided as follows:

- An employee's weekly benefit amount is capped at 120% of state average weekly wage (approximately \$1,254) with a floor of 5% (approximately \$50)
- Employees who earn less than 65% of the state average weekly wage (approximately \$679) will receive 100% of their average weekly wage.
- Employees who earn more than 65% of the state average weekly will receive 65% of the state average weekly wage plus 50% of the amount by which the employee's average weekly wage exceeds the state average weekly wage.
- Additionally, employees may use vacation or sick time to supplement their weekly benefit amount, up to 100% of their wages.

## Timing of Rules, Contributions, Notice

- On or before September 1, 2021: The Employment Department will issue rules governing administration of the FAMLI Program.
- January 1, 2022: Employee payroll contributions begin.
- January 1, 2022: Employers must provide

written notice to employees of their rights under the FAMLI Program.

## Contributions

Funding for the FAMLI Program will be provided through a payroll tax, the rate to be determined by the Director of the Employment Department (not to exceed 1% of the employee's wages). The law provides that:

- Employers will contribute 40% of the total rate set by the Director, while deducting the remaining 60% from each employee's wages. Employers may pay the employee's portion as an employer-offered benefit.
- Employers with fewer than 25 employees are exempt from paying the employer portion of the contribution. However, such employers who elect to pay into the program will be eligible for grants to help cover the cost of replacement workers. Regardless of whether such an employer elects to contribute, its eligible employees will still be assessed the employee contribution and be eligible for paid family leave benefits.

Self-employed individuals and tribal government employers can opt into the program and make contributions at the same rate as other employers.

Article by *HR Answers*

# 2019 - 2020 SDIS Safety & Security Grant

*Application Deadline:  
Noon on Wednesday, Nov. 13, 2019*

Applications are now being accepted for the 2019-20 SDIS Safety and Security Grant Program! SDIS members are eligible to apply for a matching grant (maximum of \$5,000) to help fund new safety and security related projects. Grants available have increased from \$300,000 to \$450,000.

## What does "matching grant" mean?

This is a 50/50 matching grant program, which means the cost of the project will be split equally between your district and SDIS, up to a maximum of \$5,000.

## What do you mean by "a maximum of \$5,000"?

If your district is planning a \$10,000 project, you can apply to receive a maximum of \$5,000 from SDIS.

## Who decides if our grant request is accepted or denied?

The SDIS Safety Grant Committee will review each application to determine which applications are eligible to receive funding. The committee will use two priority levels in determining grant recipients:

- **First Priority:** Grant applicants who have never received an SDIS Safety & Security Grant.
- **Second Priority:** Grant applicants who did not receive an SDIS Safety & Security Grant in the 2018/2019 fiscal year (July 1, 2018 - June 30, 2019).

Matching grants will be awarded to applicants that meet the eligibility requirements by order of priority. After the first priority level has been funded, grants will be awarded to applicants in the second priority level. After all qualifying applicants in the top two priority levels have been funded, matching grants will be awarded to applicants that meet the eligibility requirements in the order the application is received, until funds have been exhausted.

## What projects will qualify for the matching grant?

Your district may apply for any new safety or security project you choose. Examples include but are not limited to video surveillance equipment, security systems, enhanced parking lot lighting, and safe shop equipment. Routine maintenance to existing facilities and normal business expenses will not be considered.

## When is the application deadline?

Fill out and return the application for your district by mail to SDAO, PO Box 12613, Salem, Oregon 97309 or email to [sgalaway@sdao.com](mailto:sgalaway@sdao.com) by **noon on Wednesday, November 13, 2019**. You can download a copy of the application on our website at [www.sdao.com/S4/Programs/grant\\_program.aspx](http://www.sdao.com/S4/Programs/grant_program.aspx). Applications received after noon on Wednesday, November 13, 2019 will not be considered.

For more information about this program, please contact Sandy Galaway at 503-375-8891 or email [sgalaway@sdao.com](mailto:sgalaway@sdao.com).

## SDIS Safety & Security Grant Contact Information:

PO Box 12613 | Salem OR 97309-0613 | TOLL-FREE: 800-285-5461 ext. 111 | PHONE: 503-375-8891  
FAX: 503-371-4781 | E-MAIL: [sgalaway@sdao.com](mailto:sgalaway@sdao.com)





**GOVERNMENT AFFAIRS**

Hasina Wittenberg: 503-906-7228

Mark Landauer: 503-906-7238

**UNDERWRITING**

Toll-Free: 800-285-5461

Email: [underwriting@sdao.com](mailto:underwriting@sdao.com)

Fax: 503-371-4781

**REPORT AN SDIS WC CLAIM**

Toll-Free: 800-305-1736

Email: [wc@sdao.com](mailto:wc@sdao.com)

Fax: 503-620-6217

**CONTACT SDAO**

*Administrators for SDIS*

Toll-Free: 800-285-5461

**MEMBER SERVICES**

Toll-Free: 800-285-5461

Email: [memberservices@sdao.com](mailto:memberservices@sdao.com)

Fax: 503-371-4781

**RISK MANAGEMENT**

Toll-Free: 800-285-5461

Email: [riskmanagement@sdao.com](mailto:riskmanagement@sdao.com)

Fax: 503-371-4781

**REPORT AN SDIS P/C CLAIM**

Toll-Free: 800-305-1736

Email: [claims@sdao.com](mailto:claims@sdao.com)

Fax: 503-620-9817

# MEMBER CALENDAR

- Oct. 1 Risk Management Training – *Tigard*
- Oct. 3 First Thursday Webinar: *Don't Shoot the Messenger*
- Oct. 8 Risk Management Training – *Redmond*
- Oct. 15 Risk Management Training – *Medford*
- Oct. 16 Risk Management Training – *Cottage Grove*
- Oct. 22 Drone Training – *Salem*
- Oct. 23 Risk Management Training – *Newport*
- Oct. 23 SDAO Personnel Committee Meeting – *Tigard*
- Nov. 6 SDIS Board of Trustees Meeting – *Salem*
- Nov. 7 Joint Work Session with SDAO Board and SDIS Trust – *Salem*
- Nov. 7 SDAO Board of Directors Meeting – *Salem*
- Nov. 7 First Thursday Webinar
- Nov. 11 Veterans Day - *SDAO Offices Closed*
- Nov. 12 Drone Training – *Newport*
- Nov. 14 Risk Management Forum – *The Dalles*