



Public Pension Financial Forum
c/o Ohio Public Employees Retirement System
277 E. Town Street
Columbus, OH 43215
614-222-5601

P2F2 Board Meeting
Telephone Conference
February 11, 2010 (2-3 p.m. EST)

Directors present: Huelskamp, Nix, Greve, Covarrubias, Hewig, DeJonge and Musselman

Directors absent: Canevari, Carraher

President Huelskamp called the meeting to order at 2:03 p.m. EST. Art Hewig made a motion to approve the minutes from the October 20, 2009, and the January 15, 2010, Board meetings and the October 19, 2009, Annual Business Meeting. Rhonda Covarrubias seconded the motion and the motion passed.

Dave DeJonge gave an update on the 2010 P2F2 Conference. The hotel contract came in and Luke Huelskamp had it reviewed by his legal counsel. Some bargaining points and some assurances to better protect P2F2 were added. Thirty rooms were added for Wednesday. P2F2 has until sixty days before the conference to change numbers.

Prices for the dinner cruise are \$1,600 for the boat and \$40 per person for the buffet and drinks. The dinner cruise is one-half mile from the hotel. The murder mystery is \$3,100 plus the cost of the meal. Karen Carraher had suggested that P2F2 might pay for this event.

Dave Andrews was chairing the On-Site and the Hospitality Committees. Chairing both committees was becoming a bit overwhelming, so John Wicklund from Minnesota Teacher's Retirement will chair the On-Site Committee.

P2F2 should have a draft of the save-the-date postcards by March 1. The postcard will be sent to non-members and an email blast will be sent to members. Luke Huelskamp and Dave DeJonge will put something together for the P2F2 website. More volunteers for the committees are needed, particularly for the Sponsorship and the Speakers Committees. The responses to the email request for volunteers are going to Debbie Wroe. Michele Nix has had two sponsors contact her. Karen Carraher had asked if one of the sponsors might want to put together the dinner cruise. Michele said she could ask the sponsors but she was concerned regarding P2F2 members that might not be able to accept the invitation if they are from a system where doing so might be considered an ethics violation. The Board decided not to pursue having a vendor sponsor the event. A conference theme is still being worked on; ideas may be provided by the vendor producing the draft of the save-the-date postcards.

Luke Huelskamp stated that there have been some problems with the P2F2 website causing Virginia Brizendine to have to reconstruct it. In an attempt to upgrade, there had been some compatibility issues. Virginia is continuing to get more aspects of the website up and running. The Members' Forum had been down this morning but is now back up, along with the Job Bank. Luke commented that the website looks better. The color helps grab attention and assists the viewer with maneuvering around the website. Information about the 2010 Conference is not yet

on the website. Luke will work with his committee on this. Virginia is retiring later this year but she expressed interest in continuing to work on the website to Luke. Luke stated that P2F2 will likely need to get a new volunteer or hire someone in a year or so. Michele Nix and Karl Greve said that they may be able to help depending upon the software utilized. Luke also said that Virginia is asking for ideas of things to put on the website.

The issue of the IRS requesting comments on truncating social security numbers for 2009 and 2010 1099R's was discussed. Luke Huelskamp said that he thinks it is a great idea and he plans to write a letter to the IRS saying that it is supported wholeheartedly. The option to truncate social security numbers came out too late for many systems to implement it for 2009; however, Minnesota and Ohio were able to implement for 2009. The general feeling of the Board was that having the truncated social security numbers permitted but not required would be the ideal.

Karl Greve attended a GASB Task Force meeting, listening for two days in January. The staff went for the market value of liabilities (MVL) approach and the whole corporate method, including the investment return assumption. Karl thinks the GASB is not willing to go all that way, especially the Board Chairman and especially in their belief that the investment rate of return assumption should be the same for any assets currently being held. Prior to the P2F2 Board meeting, Luke Huelskamp sent the P2F2 Board an update on GASB's review of public pension accounting statements written by Keith Brainard. According to this document, the GASB is expected to publish something in June. This publication will probably be a Preliminary Views document rather than an Exposure Draft. Karl stated that pretty much anything the GASB is considering (shortening the amortization period, looking at smoothing, etc.) will make pension systems look worse. The good news is that there is pushback on going with the MVL approach. However, there is a lot of consideration of moving from the 30-year amortization open period method, which will make pensions look worse and will affect the ARC. Several issues are still being considered. The newsletter with the Keith Brainard article presents tentative decisions that have come out so far. P2F2 will need to work on a response. There is a lot of good information in the article. Karl believes there will be substantial changes coming. Luke asked if the GASB will likely phase in amortization period changes but Karl said the Board has not really discussed transition aspects of the proposals. The GASB talks about not being comfortable with the open 30-year amortization but they seem to be a ways away from discussing transition. Luke also asked about retroactive benefit increases and Karl stated that they would be recognized immediately. Karl also said that a lot of smoothing changes are being made by pension systems and he believes GASB will react to that but they have not yet discussed it much. GASB is reacting to a lot of practices. Karl believes the GASB may go with more extreme views in the Preliminary Views document than they will end up with in the Exposure Draft. The GASB Chair and David Bean do not want to go the MVL route. Karl suggested putting the Keith Brainard article on the P2F2 website or, preferably, putting a link to the article on the website which will promote Keith Brainard's website. Karl has the name of someone that can provide a call-in number for future GASB meetings. Attending the meetings via phone is a bit difficult, though, due to not having handouts, etc.

Karl Greve stated that he needs to start working on the next newsletter soon and he is looking for ideas and articles. Luke Huelskamp proposed that each Board member write an article per year to lighten Karl's load. Michele Nix suggested putting pictures on the website once the newsletter is out; she had sent conference photos to Karl. Karl told Michele that if she sends pictures to Virginia Brizendine, Virginia will get them posted on the website. Karl plans to start working on the spring newsletter later this month. It was suggested that electronic reporting, actuarial audits, or anything pension related would be suitable ideas for articles written by Board members. Michele suggested that writing articles may be out of the comfort zone of some Board members

and that maybe it should be recommended but not required. It was mentioned that web links would also be ideal. Karl suggested that even ideas for articles from the Board members would be helpful.

Regarding new business, Karl Greve asked what the next step is for P2F2. Does the organization want to do anything else, in addition to commenting on the IRS issue, the GASB issues, the newsletter and the conference? Should P2F2 do anything to connect with other organizations? Michele Nix and Rhonda Covarrubias proposed surveying the membership for ideas. Karl and Luke Huelskamp agreed that this would be a good place to start. Luke stated that education is what P2F2 is all about; he also likes the idea of connecting with other organizations. Karl suggested webcasts of topics such as the IRS truncations of social security numbers. Luke suggested that we see what other organizations are doing. Michele suggested providing a list of actuaries, accountants, etc. as a resource for the membership, providing references as well. We would want to make sure we don't endorse, but provide a listing with contacts, addresses, links, RFP's, etc. The issue would be maintaining this information so that it does not become stale. It was suggested that P2F2 could list the number of systems that use each organization and develop a resource page that would be accessible only to P2F2 members. Another proposal was to list the systems and the organizations that they use and/or provide a link to their CAFR. It was also suggested that we could start small with a survey, such as the ten key things for which we get a lot of questions. Michele also said that it would be nice to know year-ends of the various systems, particularly to find systems that early implement GASB statements. Starting with Survey Monkey was proposed. We need to make the information easily accessible but to members only.

The review of the financials and the discussion of the creation of an Investment Committee were tabled for a later meeting due to Karen Carraher being unable to attend today's Board meeting. With no further new business, Michele Nix made a motion to adjourn. Karl Greve seconded the motion. With all in favor, President Huelskamp adjourned the meeting at 2:41 p.m. EST.