



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

November 17, 2011 (2-3 p.m. EST)

Directors present: Michelle Camuglia, Karen Carraher (late), Rhonda Covarrubias, Dave DeJonge, Karl Greve, Art Hewig, Glenna Musselman

Directors absent: Beulah Auten, Michele Nix

Guests: Bonnie Nolley (for Auten)

President Hewig called the meeting to order at 2:08 pm EST.

Rhonda Covarrubias submitted a motion to accept the minutes of the previous meetings (Board Meeting of July 14, 2011; Board Meeting of October 2, 2011; Annual Business Meeting of October 4, 2011; Board Meeting of October 5, 2011). Dave DeJonge seconded the motion and the minutes were approved unanimously.

Beulah Auten was unable to attend the meeting, but had emailed the Financial Reports to the Board prior to the conference call; the reports included the *Financial Report as of October 31, 2011* and the *2011 Conference Financial Report* (as of November 15, 2011). The 2011 cash balance began at \$150,479.81, with 2011 deposits of \$116,561.12 and expenditures of \$95,248.31 resulting in a year-to-date income of \$21,312.81; the cash balance at October 31, 2011 is \$171,792.62. For the 2011 Conference, total deposits were \$102,200 and expenditures of \$92,017.75 resulting in net income of \$10,182.25. Bonnie Nolley reported that she had nothing to add to the financial reports and asked the Board if there were any questions; there were none. She then reported that Beulah had recruited members for the P2F2 Finance Committee, to include Beulah Auten, Art Hewig, Karen Carraher, Rhonda Covarrubias, Phil Burkholder (CalSTRS), and Vince Prendergast (Texas County & District Retirement System). Bonnie also noted that Art Hewig, Karen Carraher, and Beulah Auten had worked on a draft investment policy, which will be reviewed by the committee. Beulah has sent out an email to the committee members and will schedule a conference call for that group in a few weeks. The objective is to determine a model investment policy/guidelines for investing the extra cash that P2F2 has accumulated over the years; the goal is to finish the policy/guidelines by the end of December.

Dave DeJonge provided a brief update on the 2011 Conference (Portland). He indicated that he had sent a summary of the evaluation forms and responses to all of the Board members. He indicated that we had positive responses overall from the conference. He is also still trying to collect the registration fees for the conference from CalSTRS (\$825 – \$275 for 3 registrants). Dave also provided an update on the 2012 Conference to be held in New Orleans (October 7-10, 2012). Dave indicated that he had worked with the Marriott and made some adjustments to the hotel contract, as the Portland conference had 130 to 140 more nights than anticipated.

Dave was able to negotiate a free meeting room for the Board to have their meetings on Sunday and Wednesday mornings of the conference, and also a prep-room for Saturday. Unfortunately, we weren't able to get free internet access in the meeting rooms; however, the cost will not be too substantial at \$10/day (per connection) for the three to four meeting rooms. The contract has been executed. Dave also indicated that Rhonda Covarrubias has agreed to co-chair the conference with Artie Fillastre from LASERS (Louisiana State Employees Retirement System). Rhonda indicated that we have to-do lists prepared and Dave has agreed to serve as our mentor. Our thought was to co-chair the conference, where one co-chair is a Board member. Rhonda indicated that Artie and his group are anxious to help and have already started the brochure for 2012. Art Hewig indicated his thanks and said that it sounds like we are off to a great start.

President Hewig then indicated that the By-Laws state that he is to appoint a nominating committee before December 1st. Art Hewig asked for volunteers and received several responses: Michelle Camuglia, Glenna Musselman, Rhonda Covarrubias, Dave DeJonge and Karl Greve all volunteered. Karl asked which Board members would be rotating off next. Dave DeJonge read from the website that Michele Nix, Dave DeJonge and Karl Greve would all be rolling-off in 2012 and Karl indicated that Dave is President-elect for 2012.

President Hewig then proceeded to old business and began the discussion of webinars and asked the Board if there were possible topics, if we are wanting to conduct webinars. He asked whether any Board members had anything particular in mind. Art Hewig recommended that we should start simple at first. Karl Greve asked if P2F2 has the ability/capability to do webinars on the web. Art indicated that he would have to defer that question to Michele Nix; however, Michele was not on the call, so we will have to research. Rhonda asked who would do the narrating of the webinar? Art indicated that Ohio has done some webinars for their employers (relating to GASB) and that maybe we could link to those. He also indicated that other systems (New York, Ohio) have good videos that are general topics. Dave DeJonge indicated that perhaps we could do a webinar on the benefits of P2F2 membership. Art also indicated that his System has an amazing person that does webinars and that he will check on his availability. Art concluded that he would check with both Michele Nix and Karen Carraher. Karl wrapped-up the discussion, indicating that he didn't think it would be difficult to come up with topics for the webinars.

The next topic of discussion was the newsletter. Art Hewig indicated that Karl Greve tends to "front" the newsletter. Karl asked for Portland conference pictures to be forwarded to him and indicated that he has the conference ratings that can be included in the newsletter. Rhonda Covarrubias agreed to prepare something for the 2012 New Orleans conference. Karl asked for a short President message and Art agreed to provide.

President Hewig then asked about the GASB testimony. Karl Greve responded that P2F2 was called upon later in the day. P2F2 was represented by Luke Huelskamp, Michele Nix, Karl Greve and Karen Carraher. Some of the Systems that provided testimony in the morning included CalSTRS, CalPERS, and Ohio PERS and they all indicated difficulty and cost issues with cost-sharing plans. Karl indicated that by the time GASB got to P2F2, the GASB Board perhaps was tired and/or grouchy – they began asking about special-funding situations, and asked "petty" questions from our letter. Karl indicated that it is difficult to get a feel for what GASB might do regarding cost-sharing plans and employer year-end issues. After the presentation, P2F2 offered ourselves as a contact to GASB. Karl indicated that the GASB was supposed to have a meeting November 8 -10, but he hasn't seen any new postings to their website. GASB received over 645 comment letters (employer-side) and over 60 plan sponsor comment letters. Karl indicated that a large number of letters came from California and Ohio,

especially from California school districts. Karl (Colorado PERA) was not a test-System; however, Michele Camuglia indicated that her system was a test-system and that they do not anticipate getting any direct feedback, but that GASB was supposed to meet in November and provide information approximately five weeks after the meeting (they are supposed to post on their website).

President Hewig then began discussion of future P2F2 conference locations. All board members agreed that getting the 2012 location information (Louisiana) out to the membership prior to and during the Portland conference was a great idea. Art Hewig met with Linda Savinsky from NASRA to get some information from her about how they determine the NASRA conferences and locations. NASRA has an independent planner (Nicole Jacobson) and NASRA is very pleased with her. She works from home, but is available onsite during the conference, if you want her there. Dave DeJonge asked what the planner did for NASRA. Art indicated that the planner would do all of the logistics, including location, hotel negotiation, all of the fine details – just about anything that we would ask of them.

Karen Carraher joined the meeting at 2:30 pm (EST).

Discussion continued on conference planners. Dave DeJonge indicated that visitor bureaus/centers will do a lot of the upfront work for you, especially in finding an appropriate hotel (they issue questionnaires, similar to an RFP). Art indicated that we are well on our way for the 2012 conference, but that we can keep the option open for a planner in the future, especially in areas where we don't have any P2F2 members to assist us. Rhonda Covarrubias commented that perhaps P2F2 may be limiting ourselves to only locations that have a P2F2 member there. Karen Carraher asked whether the planner could scout-out places ahead of time, as we want low cost and easy access; Art confirmed that yes, she could. Art mentioned places such as Providence, RI and Scottsdale, AZ as possible future locations, but indicated that we don't have P2F2 members in those areas. Dave indicated that we should agree to start early on our planning for best results. Art indicated that he will try to contact her and let her know about our discussions and see what she could do for us, as far as planning a few years out. Art indicated that the planner has an onsite, hourly rate of \$90, to assist with logistics during the conference itself; Dave indicated that he thought the cost seemed expensive. Art indicated that Linda Savinsky had also mentioned a planner with IMN, and that the planner gets their pay from a portion of the hotel negotiation. Art agreed to keep Linda Savinsky's contact information and indicated that perhaps she can join us on a future call/meeting.

Dave DeJonge asked which part of the U.S. we might be considering for the 2013 conference. Karen Carraher reiterated that in the past, we have even done conferences in locations without people there "on the ground", but that it makes it much more difficult. Dave mentioned that using visitors bureau's will give ideas of things to do in the area and that you can often start with RFP's for hotel selection. Art Hewig will work with Dave in getting 3 to 5 top city choices from the conference evaluation/responses from the Portland conference. Karen mentioned that we should try to plan for both 2013 and 2014. Dave mentioned that he still has contacts in the Scottsdale/Phoenix, AZ area and that he worked there for about 15 years. Possible locations for 2014 mentioned were Providence, RI and Burlington, Vermont. Karl suggested Nashville, Tennessee; Karen Carraher and Rhonda Covarrubias liked the suggestion. Board agreed to have Art and Dave look into Providence, Burlington and Nashville. Dave asked Rhonda whether she thought Austin would be a better location than Scottsdale for the 2013 conference. Rhonda replied that she would have to talk to the other Austin-local systems; Rhonda thought Austin was close to New Orleans (8-hour drive) and concerned that it would be back-to-back southern locations (both 2012 and 2013). It was commented that responses from the evaluations had

Austin first and Scottsdale/Phoenix as second. Karl commented that P2F2 hasn't traveled to the southwest or northeast, so he thought our discussions for possibly Phoenix in 2013 and something northeast in 2014 would make sense. Dave commented that he will be in the Phoenix area during the first week of January 2012, and will try to start making contacts. Art asked that any additional suggestions be forwarded to he or Dave.

President Hewig then began discussion of P2F2 accepting credit card payments. Art Hewig indicated that APPFA accepts credit card, which is easy, but automatically takes a 3% hit. Per Dave DeJonge, about 3 people asked last year and about 12 people asked this year, to pay conference/dues via credit card. Karen Carraher indicated that she had asked our bank about credit card fees a few years ago. Karl asked about charges by PayPal; Dave recalled 2.9% on PayPal and 2.2% for 503(c) organizations. Per Karen and Art, P2F2 would qualify for the 2.2% rate. Karl Greve indicated that we would want to include a link on our website, so we would need to visit with Michele Nix about this more. Art mentioned that we could continue to discuss this item further and keep as a future item.

President Hewig then brought up the issue of Strategic Planning for the P2F2 organization. Karen Carraher agreed that a face-to-face meeting would be good, as compared to trying to do strategic planning via telephone. Art Hewig suggested meeting in early January; Karl Greve mentioned that he had a GFOA committee meeting January 9-10. Karen mentioned that P2F2 had done strategic planning once before, meeting for a full day. Art suggested flying to the location on Sunday and meeting all day Monday. Michelle Camuglia indicated that she has some restrictions on travel (once/yr., out-of-state travel) and Rhonda Covarrubias asked who would pay for the travel. Karen suggested that P2F2 should cover the travel expenses, as we have the funds to do so; Art agreed. Glenna Musselman responded that she has time available, but that her system did not budget for P2F2 strategic planning, but that she could likely attend if P2F2 covered the expenses; Michelle also agreed that she could probably attend if P2F2 paid the expenses. Karl suggested Denver and offered a meeting room at his office. Art suggested flying to Denver on Sunday, January 29th, and meeting all day Monday, January 30th. Karen made the motion for the dates suggested by Art, and noted that P2F2 would cover expenses; the motion was seconded by Karl; passed unanimously. Art asked the Board members to send ideas to him about items to include on the strategic planning agenda. Karl offered the IT & Investments groups at Colorado PERA, and will coordinate if anyone wants to meet with his folks. Art also requested a bullet-point list of what COPERA is doing regarding their recent DC overhaul.

President Hewig asked the Board members whether they had a chance to look at the IMN proposal; Karen Carraher and Dave DeJonge responded "yes", but confused. Art Hewig indicated that it appears to him that IMN would put the P2F2 name out there for us, if we would do the same for them (i.e. – their name/organization would be listed in our conference brochure and our name in theirs). Karen indicated that she felt we didn't have a lot in common with them. The Board members generally agreed that they weren't overly positive about the proposal. Karen suggested that we revisit during the strategic planning meeting, as we further discuss where we want P2F2 to go.

President Hewig then turned to our contacts with NASRA / PRISM/ APPFA (past presidents). He indicated that our organizations are very similar and asked whether there is synergy we can achieve by providing "core-administration"/back-office support for all of our organizations? Art Hewig indicated that he had told Linda Savinsky that P2F2 didn't want to lose our identity. Karl Greve suggested that we talk about this item further at our strategic planning meeting, to discuss whether we want to get closer to any of the other similar organizations. Art asked the Board members to think about it and we will continue to discuss. Art mentioned the possibility

of combining our conference with APPFA; however, it was noted that it would be difficult to get all of your accounting/auditing people out of the office at the same time. Art agreed to add this item to the January agenda in Denver.

Dave DeJonge indicated that the ex-President of PRISM had asked for our membership listing so that they can contact IT individuals in pension funds. Karen Carraher will get with Nancy Mikola, to send an electronic file.

Michelle Camuglia asked for an agenda to pass by her ethics officer in New York, before she travels to Denver for the Strategic Planning meeting. Art agreed that he will put an agenda together.

As there was no further business, Karen Carraher made the motion to adjourn the meeting; the motion was seconded by Karl Greve. President Hewig adjourned the meeting at 3:18 pm (EST).