PUBLIC PENSION
FINANCIAL FORUM

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
July 14, 2011 (2-3 p.m. EST)

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

Directors absent: None

Guests: Molly Shanahan - IPERS

President Huelskamp called the meeting to order at 2:04 pm EST.

Rhonda Covarrubias submitted a motion to accept the minutes of the May 19, 2011, meeting. Dave DeJonge seconded the motion and the minutes were approved unanimously.

Dave provided an update on the 2011 Conference. Dave said the outline brochure has been posted. There are a couple bugs in the brochure, but it will be updated soon and he will then forward it to Michele for posting to the website. CPE for the conference has been increased from 25 to 26 credit hours. There will be three tracts instead of four; there will not be a separate compliance tract. Michele Nix got eleven sponsors. There are two new sponsors, Saxena White and Small World Solutions, with a possible third new sponsor. KPMG has not called back yet. Michele said she has a couple more possible sponsors in the pipeline. Rhonda said that the Hospitality Committee is a concrete group with no openings, so she suggested that it not be listed on the questionnaire. Dave said that Rhonda's group is doing well. There will be extra hors d'oeuvres at the Sunday Welcome so people don't feel they have to go out to dinner that evening. Sixteen have already registered for the conference; four are Board members. An email blast has been sent to members and Gwen Ross and Nancy Silvers are working on correspondence to non-members. Michele is at a conference and she asked who she should send finance people to regarding membership in P2F2. Karen said to send them to Nancy; they have a personalized letter for new members. Luke said NASRA and GRS will put the P2F2 Conference in their newsletters. Dave has done a great job on the conference.

Karen Carraher said that the speakers are pretty well set. A letter will be sent to them to let them know exactly what they will be receiving and to find out when they will be arriving. The sessions will go until 3:35 on Wednesday. The last session is media training. It will be presented by a husband and wife team. They will be videotaping and providing tips and they have volunteered to stay after to work with people. Karen is excited about it and said that Sunday should be exciting too. Linda Savitsky of ED/NASRA will be speaking about ethics, GASB, and internal audit. Stephen Gauthier will be speaking Tuesday. Luke asked about a GASB speaker. Karen said she couldn't get the usual speaker because he is on a project and it is a GASB Board week.

Dave said there has been some brainstorming about how to get new members to join the conference. One suggestion was a free I-Pod raffle for new members. He asked if we should do something for current members too, or just new members and how do we get people from the west since the conference is in their area? Gwen Ross had suggested letting people from California, Washington, Oregon, and Nevada bring people at the member rate, rather than the non-member rate. We are hearing that travel policies are the issue, though, rather than the rate. Also, would we be setting a precedent? Karl said that he doesn't think $75 will make a difference and others agreed. Michele said that if we do this globally, we may run into issues and Beulah mentioned that many of those that didn't attend the conference didn't attend due to it being reporting time. Luke said we will pass on the suggestion but we are grateful for the idea. Michele suggested that we hit the surrounding states especially hard when we do our membership outreach. Luke asked if the I-Pod idea was ok and the Board agreed it was. We will do one for current members and one for new members. Karen asked how much we should spend and she said they will buy them. Michele said that an I-Pod Nano is generally under $100 for low gig.

Karl said the pension exposure drafts are out and they are ugly and overwhelming. There are tremendous implications, especially for cost-sharing plans. Plans will need to know exactly who their employers are and what their year-end is. Plans must give membership information by employer for retired, active, and inactive members. How is retired defined? Colorado PERA and OPERS go by the last employer. Are they retired out of all five employers or the last one? Year-end information must be updated if the employer's year-end is different from the plan's year-end. The pension liability will likely be the employer's biggest liability on their books and the updated information will be unaudited. What type of turnaround time are we looking at for getting asset and liability information out to all of the employers? It is already difficult for plans to get reporting done in six months. Getting information out for all of the employers will compound this issue, especially since some employers will likely have the same year-end and others may have year-ends that are three or six months later. How will auditors handle this since the liability will be on the employers' financial statements? There is a need to get a group together to start studying and researching this and possibly get some surveys out. Karen suggested sharing information from field testing. She said GASB indicated that they have people indicate their interest in field testing to them; rather than GASB selecting them. With 25 field testing, it is anticipated that at least 15 will finish. They want field testing completed by September 30, but the testing can extend an additional week or two if necessary. Karl stated that the big problem is getting the information for the employers. Karen asked what kind of information has to be gathered and who gets the unfunded liability. Some systems couldn't do it. Michele said MOSERS got a memo from GASB saying that they are a field tester. Ohio, Michigan, and Missouri systems are field testing. Rhonda and Beulah said that their systems are not field testing because they could not meet the deadline. Karl suggested having field testers compare notes and sending an email to the membership to see who else is field testing. Karen said she will share the information that they have pulled together. Karl will share as well. We will have Nancy send an email. Karl suggested getting a group together to get written responses to share with field testers. There is not much time allowed. The exposure drafts discuss a ten-year schedule but nothing about building the schedule prospectively. Karen took it as being retroactive. A lot of systems have changed actuaries over the years and governments have split apart or consolidated. We need to include a group to work on responses to GASB too. Karl will lead the group. The information needed to give to employers is frightening and liabilities will be huge for those systems that are only 60-70 percent funded.

Karl will start working on the newsletter. Dave sent an article for the newsletter, but he may want to update it. Karl will try to get something out in the next week or so.

Michele said there was not much new to report regarding the website. There have been some conference updates and she can do some advertising for the I-Pods. There are no immediate plans for much more, as this is a busy time for her. Phase II will not happen for a couple months. She may set up a Twitter account for P2F2 and disseminate information about it at the conference. It can then be used going forward to share information. She said she could set it up for immediate use, as it is fairly quick without a lot of effort. She can then train those of us unfamiliar with Twitter. Regarding the Member Forum on the website, Karl suggested putting someone in charge of each subject. For example, someone could be in charge of the three percent withholding tax and they could put a link out on the Forum. We need to feed the Forum to get it to go. Michele agreed that that was a good idea. We did not get notified when Karl updated the Forum, so Michele will check on the member push. The Board discussed some possible subject areas and Michele suggested Board members look at the areas to see what they might be interested in and we can discuss it further at the next Board meeting. In the meantime, Karl asked that items be posted; try to get items posted by the conference. The Board liked the idea of a Twitter account also.

Beulah presented the Financial Report as of May 31, 2011, which showed total deposits of $19,130.45, total expenditures of $9,404.30, for net income year-to-date of $9,726.15 and a balance as of May 31 of $160,205.96.

Karen had worked with David Levine on a Conflict of Interest Policy that she sent to the Board prior to the meeting. Michele made a motion to accept the policy and Karl seconded the motion. There was no discussion and the motion passed. The Board thanked Karen and asked her to thank David Levine.

In discussing the 2012 Conference, everyone seemed to like the idea of New Orleans. The Board had also discussed Virginia but people from Louisiana have volunteered to work on New Orleans. There were no objections from the Board. Possible dates of October 14-17 and October 21-24, 2012, were discussed. Karen has a Board meeting that conflicts with October 14-17 and Rhonda may have a conflict with October 21-24. Art may also have a conflict. Rhonda suggested October 7-10. The NCTR Conference in Tuscan is the only conference that conflicts and it is primarily Executive Directors and Board members that attend that conference. She said she could check with Artie from Louisiana. The two conferences may have speaker conflicts, but we may be able to get them on a different day. October 7-10 is, however, an issue for some due to year-end and CAFR work. Rhonda suggested offering a couple different date options to Artie and see what works for them. Luke said that it is okay to pay a little extra for a hotel to be sure it is safe. Rhonda said they have hosted several conferences there before. We would want to avoid a lot of walking. Dave asked if the first choice would be October 7-10 and the second choice would be October 21-24. Rhonda said yes, we want to avoid September; she will follow up. Luke wants to get a date set so we can announce it at the conference. Rhonda will send it to the Board so that we can get a consensus and then we can start advertising it. A knick-knack or something to advertise the date to put in the conference goodie bag was suggested. For example, the GFOA has used candy. It was asked if there were any other questions for Artie and there were not.

Karen, Luke, and Rhonda roll off the Board this year. Karl asked what the plan is for officers and Karen said that Art will become president. Beulah mentioned the Nominating Committee and Rhonda said that the Board had talked about it briefly at the last conference, saying that the president would appoint a committee in December. Michele was suggested; she will review the minutes.

The next Board meeting will be September 23rd at 2:00 EST.

Beulah gave a Finance Committee update. The bylaws stipulate that the committee will be composed of the Treasurer and three other Directors. Karen, Art, and Rhonda volunteered. Beulah has been overwhelmed with staffing issues and has not had an opportunity to do much yet, but she will do something by the next Board meeting.

With no further new business, Karen made a motion to adjourn. The motion was seconded by Beulah. The meeting was adjourned at 3:08 EST.