

# Public Pension Financial Focus



## President's Message

The 2017 Albuquerque conference is almost upon us and I am looking forward to seeing all of you once again. There has been so much work by so many and I appreciate all they have done. I especially want to thank Darla Iverson and Rhonda Covarrubias and Dave DeJonge for all their leadership on this year's conference. But there are so many more to thank and I will do that in an upcoming letter.

I wanted to share with you information from our latest strategic planning meeting which was held in Salt Lake City earlier this month. We were able to stay at our host hotel for the 2019 P2F2 Conference and you are all in for an exciting treat that year. The hotel is deluxe at a very affordable price and we have some great events planned already. More to come on that in the future, but make sure you add it to your planning calendar for 2019.

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## President's Message (Continued)

The strategic planning meeting gave the P2F2 Board the opportunity to reflect on our progress to date since our inception and to plan our future. Areas of focus included:

1. **Technology** – Technology provides the biggest opportunity for the organization to help members and improve our administration function. The Board participated in a demo of a potential new system that offers great potential for improvement and self-service at a very affordable price. A subcommittee of the Board comprised of Board members and volunteers will explore this further. There is still time to be part of this committee if you wish. Contact either Robin Madsen ([RMadsen@CalSTRS.com](mailto:RMadsen@CalSTRS.com)) or Karl Greve ([kg.p2f2@gmail.com](mailto:kg.p2f2@gmail.com)) if you are interested in participating with this group.
2. **Administration** – Since P2F2 still relies on volunteers to administer the organization, the Board reviewed the current challenges and opportunities relative to the potential technology options.
3. **Retiree Support** – The retiree group is up and running and will be active at the upcoming 2017 conference. The Board discussed the future role of the retiree group.
4. **Conference Update** – The Board reviewed the current status of the future conferences. Mark your calendars now for these dates!
  - a. **2017** – Conference in Albuquerque, New Mexico **October 22-25, 2017**
  - b. **2018** – Conference in Savannah, Georgia **October 21 -24, 2018**
  - c. **2019** – Conference in Salt Lake City, Utah **October 20-23, 2019**
  - d. **2020** – Reviewing several possible locations
  - e. **2021**- Conference in Denver, Colorado **October 24-27, 2021.**
5. **Maintain Advocacy** – The Board briefly discussed the issues facing pension systems and P2F2's role with advocacy and education.
6. **Increase membership and Increase member involvement** – The Board discussed issues and options.
7. **Finances** – The Board discussed the finances of the organization including potentially using a percentage of the membership dues to help offset conference expenses to maintain low cost and high-quality conferences.

I think it was time well spent planning for the role P2F2 can play in helping our members. I look forward to seeing you all at the 2017 conference in Albuquerque.

*Karen Carraher, P2F2 President*



### Center for Retirement Research at Boston College

In July of 2017, the Center for Retirement Research at Boston College (Center) published a brief titled *A First Look at Alternative Investments and Public Pensions*. The brief looks at two basic questions: 1) which plans have made the largest shift to alternatives? and 2) how has the shift affected investment returns and volatility? For a copy of the brief use this link – [July 2017 Brief](#).

The Center has also updated their Public Pension Data which is available at the following website – [2016 Public Pension Data](#).

### American Academy of Actuaries Issue Brief

In July of 2017, the American Academy of Actuaries published an issue brief, *Assessing Pension Plan Health: More Than One Right Number Tells the Whole Story*. For a copy of the report use this link - [July 2017 Issue Brief](#).

## GASB Project Updates

### GASB Statements

#### ***GASB Statement No. 84, Fiduciary Activities***

**Summary:** This Statement establishes criteria for identifying fiduciary activities of all state and local governments. It also describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

**Effective Date:** For reporting periods beginning after December 15, 2018.

**Link to Statement:** [GASB Statement No. 84](#)

#### ***GASB Statement No. 85, Omnibus 2017***

**Summary:** The Omnibus Statement addresses a broad range of practice issues that were identified during the implementation and application of various GASB pronouncements. You can find a high level list of issues by reading the GASB media advisory from [3/2/2017](#).

**Effective Date:** For periods beginning after June 15, 2017.

**Link to Statement:** [GASB Statement No. 85](#)

#### ***GASB Statement No. 86, Certain Debt Extinguishment Issues***

**Summary:** The requirements of this Statement will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance. (*Yes, that is how GASB described it*). The requirements of this Statement also will enhance consistency in financial reporting of prepaid insurance related to debt that has been extinguished.

**Effective Date:** For reporting periods beginning after June 15, 2017.

**Link to Statement:** [GASB Statement No. 86](#)

#### ***GASB Statement No. 87, Leases***

**Summary:** The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

**Effective Date:** The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**Link to Statement:** [GASB Statement No. 87](#)

### Document for Public Comment

#### ***Implementation Guide No. 201X-Z, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)***

**(Comment Deadline: September 25, 2017)**

**Link to Exposure Draft:** [GASB OPEB Implementation Guide Exposure Draft](#)

## GFOA Checklist To Be Pared Down

GFOA's Special Review Executive Committee met just prior to the GFOA annual conference held in May and voted to recommend that the Certificate of Achievement for Excellence in Financial Reporting checklists many of us use when preparing our CAFR be scaled back. Their goal is to reduce the size of the checklists to make them more manageable without reducing their effectiveness. In recent years, GFOA staff has adapted the checklists for new GASB pronouncements by cutting and pasting right from those pronouncements, which has increased the size of the checklists tremendously. The general purpose checklist is 109 pages, and you may have noticed that pronouncements issued since GASB 71 have not yet been included in the checklists. In order to scale back the checklists, GFOA will likely eliminate many of the explanatory paragraphs (which often take up as much room as the questions themselves), but will continue to include the reference information so that users know where to find the explanatory information. When it makes sense, questions will be rewritten to include explanatory information. Because of staffing shortages at GFOA during this transition period, we will likely not see changes in the checklists until 2018.

## 2017 Annual Conference Albuquerque, New Mexico

Join us for the P2F2 Fall Conference - "Soaring to New Heights". The conference this year will be held at the Embassy Suites Albuquerque Hotel & Spa in New Mexico. This conference will feature hot air balloons, great networking opportunities with public pension plan finance professionals and lots of CPE! Registration is now available online, so add the dates to your calendar and plan to join us for another great conference.

**Date:** October 22-25, 2017

**Location:** [Embassy Suites Albuquerque Hotel & Spa, New Mexico](#)

**Agenda:** [Speaker list](#)

**Conference Newsletters:** [Albu-Couriers](#)

## SOA Report on Contribution Indices

In June of 2017, the Society of Actuaries (SOA) released its report, *U.S. Public Pension Contribution Indices, 2006-2014*. This study explores contribution metrics developed by the SOA that compare pension plan contributions to benchmarks that represent the contribution level needed to pay down unfunded liabilities. To access this report, go to – [SOA June 2017 Report](#).

## U.S. Census Bureau Publishes 2016 Annual Public Pension Survey

In May of 2017, the U.S. Census Bureau released its *Annual Survey of Public Pensions: State- and Locally-Administered Defined Benefit Data Summary Report: 2016*. The annual survey provides a comprehensive look at the financial activity of the nation's state and locally-administered defined benefit pension systems. To access the survey, go to this webpage - [Annual Survey of Public Pensions](#).

## P2F2 Member Phone Call

A number of years ago, a then monthly phone call was set up to assist P2F2 members with the implementation of GASB 67 and 68. This call was expanded to other topics over the years, but was growing stale. Robin Madsen has taken over the call duties and with it P2F2 is changing the calls to be more useful for its members. The calls will now be every other month and will be centered around specific topics. Our first revised call was done in July and centered on CAFR preparation and software used, with a speaker from CALPERS. If interested in joining these calls please contact Karl Greve at [kg.p2f2@gmail.com](mailto:kg.p2f2@gmail.com).

## P2F2 Benefits for You

Excellence, Education & Interaction

Delivered to you through the

Annual conference,  
Member forum,  
Contacts you develop,  
Newsletter,  
Website, and the  
Board responding to GASB & GFOA

## P2F2 Mission and Purpose

The Public Pension Financial Forum's mission is to serve its membership through education, pension advocacy, and networking by promoting financial excellence for public pension plans

## P2F2 Board Minutes

[Board minutes](#)

## Suggestion Box

Please email your suggestions to Karl Greve at [kg.p2f2@gmail.com](mailto:kg.p2f2@gmail.com)



*Excellence, Education, & Interaction*

[www.p2f2.org](http://www.p2f2.org)

## Excel Tip 2013 – Flash Fill

Starting in Excel 2013, you can use the “Flash Fill” feature to automatically fill-in values within a column with information entered into an adjacent column. This feature is most useful when dealing with data that has a consistent data entry pattern in the column whose values are referenced by the second, flash filled column.

Example 1	
oscar grouch	O Grouch
Kermit frog	K Frog
big bird	B Bird
Example 2	
4443293296	(444) 329-3296
4443293297	(444) 329-3297
4444329329	(444) 432-9329

Flash Fill is a new feature in 2013 and is easy to use with consistent data. Due to space limitations please view the Microsoft training video on how to use Flash Fill by using the following link – [Microsoft Support](#).

## What to see in Albuquerque

If you need a grocery store, just look for the big red arrow.



Address: [2101 Carlisle Blvd NE, Albuquerque, New Mexico](#)