

Board of Directors Meeting Minutes
Rosen Shingle Creek, Orlando

Saturday, June 23, 2018

Approved
09/29/18

Called to Order: 2:05 pm

Roll Call:

Pete Prior, CPPT, Chairperson
Dwight Mattingly, CPPT, Vice-Chairperson
Ann Thompson, CPPT, Secretary
Steve Aspinall, CPPT, Treasurer
Christopher Spencer, CPPT, Director
Tim Olsen, CPPT, Director
George Farrell, CPPT, Director
Ken Harrison, CPPT, Director Emeritus

Others Present:

Ron Cohen, CPPT, Attorney
Brent Chudachek, CPPT, Attorney
Kim Prior, CPPT, Chief Executive Officer
MJ Chwalik, CPPT, Chief Operating Officer
Sean McKinstry, CPPT, Director of Research
Stephanie Wehrly, Executive Assistant
Peter Hapgood, CPPT, Education Consultant
Susan Marden, Public Relations
Kathleen Brothers, Auditor
Allison Harrell, Accountant
Lois Edmondson, Senior Executive Assistant
Cindy Berta, Book Keeper

Approval of Previous Meeting Minutes

January 27, 2018
Hyatt Regency Orlando

Motion:

Mr. Aspinall motioned to approve the minutes from the previous board meeting. Mr. Olsen seconded the motion. Motion passed.

Consultant Reports

Education Committee - Peter Hapgood, CPPT

Mr. Hapgood reviewed the conference theme: "It's Déjà Vu All Over Again," looking at the lessons from the past 20 years and going forward over the next 20. Mr. Hapgood reported that a key sessions at the conference will be the FPPTA jeopardy game. Audience can participate by cell phone to answer the questions. The contestants will then explain the correct answer. The game show will be hosted by David Keeling and should be both fun and informative.

Mr. Hapgood thanked the board for an increased speaker budget this year. More money was spent on key note speakers this year including a health care futurist and economist, a media specialist, Pulitzer winning journalist with a specialty in the fields of taxes and pensions. The agenda consists for panel discussions in the afternoons.

Mr. Hapgood reported that the conference would kick off with a five-minute special video montage that played on the conference theme. It's a collection of video clips and pictures cycling through American history with an emphasis on the economy and other issues that can and have affected pensions issues in the past. Video is set to Billy Joel's "We Didn't Start the Fire."

Mr. Hapgood reported that staff, consultants, and speakers will be meeting on Sunday for a rehearsal to make sure the program goes smoothly.

Mr. Hapgood asked the directors to help usher members into the program room and out of expo hall. It's always a challenge to get folks into the room for the start of the sessions.

Mr. Hapgood stated he was currently working on the program for the Fall Trustee School. Reviewed the speaker survey process that is put together by Mr. McKinstry. Received many responses from associates. Speaking priority goes to those who fill out the survey. Wall Street presenters also a priority given all they do to help the organization. Mr. Hapgood reviewed the Education Committee meeting from the Spring in which the committee creates the blue print for the trustee school programs for the following year.

The October Trustee School keynote will be Dianne Oakley from the National Institute on Retirement Security. She will present the NIRS report/case study on Palm Beach. The FPPTA had a significant impact on that report stemming from the FPPTA morning show in which Dr. Nesbitt and Ms. Marden presented on. Mr. Hapgood would like to recognize some of the folks who were on the ground fighting the fight for defined benefit plans in Palm Beach.

Mr. Hapgood reported that he did not receive much feedback regarding a second edition of an essay book from associates. He was hoping to have that book at the June conference. Instead, Mr. Hapgood collected a number of industry reports and compiled them in a folder for attendees to receive at registration.

Mr. Hapgood asked the directors to report backstage at 8:00AM on Monday for the morning ceremonies prior to the program kick off. He reviewed the process and plans regarding the opening ceremonies and general membership meeting.

Public Relations - Susan Marden

Ms. Marden reported that she attended the education committee meeting in the Spring and got some good feedback from the committee on her social media efforts. She has created a LinkedIn page for the FPPTA to expand on those efforts. She's active on twitter and facebook. She continues to work to integrate the FPPTA's efforts on messaging and branding.

Ms. Thompson asked what was on her agenda going forward. Ms. Marden said she would continue to work with Mr. McKinstry to further integrate the communications efforts and create more content, whether it be video, infographics, op-eds, etc.

Mr. Mattingly asked about attitudes and public opinion on defined benefit plans on social media. Ms. Marden says she goes out of her way to follow opponents of DB plans to get a handle of their objections and arguments and tries to avoid the "echo chambers" of social media so it's hard to say. Ms. Marden continued to explain the different approaches she takes to each social media platform and how they work to spread our message. Where twitter can be more substantive, Facebook is more "friendly and fun". Mr. Hapgood added that he had received a couple complimentary comments from the associate membership regarding the FPPTA's inclusion of LinkedIn as a platform.

Ms. Thompson suggested more sessions on social media participation for promoting DB plans in the CEU sessions at Trustee Schools.

Old Business

None.

New Business

Mr. Prior would like a review of guest fee policy on the agenda for the next directors meeting in the Fall.

Motion:

Mr. Prior motioned to go out of order from the agenda to allow the professional reports next. Mr. Olsen seconded the motion. Motion passed.

Professional Reports

Accountant Report – Allison Harrell

Ms. Harrell reported they had reconciled the FPPTA accounts through April 2018. They also conducted an Internal Control Assessment. The assessment concluded that the internal controls were in good shape. The main recommendations were based on the cash/receipt processes. Those issues stemmed from operating on two different systems that were in place in 2017. They also recommended formalizing some of the procedures, many that are already taking place, but would like to see the more formal documentation. Accounting firm should be caught up on reviewing financials going into the Fall meeting.

Attorney Report – Ron Cohen, CPPT

Mr. Cohen reviewed his instruction to draft a Conflict of Interest Policy in the wake of the recent marriage of the board's chairperson and the CEO. Mr. Cohen reported that Mr. Prior would be required to recuse himself from voting matters on CEO. Mr. Cohen reviewed the conflict of interest policy that was drafted. Mr. Cohen stated that the state law on conflict of interests really didn't apply to the FPPTA, so they drafted a policy customized to fit the FPPTA's structure and functions.

Motion:

Mr. Farrell motioned to accept the policy. Mr. Mattingly seconded the motion. Motion carried unanimously. Mr. Cohen stated he would report on the policy at the General Membership Meeting.

Mr. Cohen reported that the board may want to adopt a more general Conflict of Interest Policy regarding employees as well so there is a formalized document should any issue arise in the future.

Audit Report - Kathleen Brothers

Ms. Brothers reported that this was the first year their firm performed the Audit. She thanked the FPPTA staff for their help and cites the challenges that come with such a transition to a new firm.

Ms. Brothers reviewed the financial position. Total assets close to 1million, about half of that is cash or cash equivalence and another big piece of that is the office building. Net assets are up from last year as well -- an increase of about \$76,000. Reported a big turnaround of finances in 2017. Total revenues up from last year about \$48,000 -- making an approximate 2% increase from the previous year. Expenses were also down from the previous year by about 9%.

Ms. Brothers stated that there was a change in how the relief fund was reported. It had been reported as a liability, but accounting standards require that to be counted towards the net assets. Resulted in a positive impact on the financial statements.

Ms. Thompson asked that the term "tuition" be changed to "registration" going forward just to stay consistent among all reporting. Ms. Thompson also thanked Ms. Brothers and her firm for the expedited audit.

Ms. Brothers reviewed the Internal Control Letter. Reported that they did not see any weaknesses in existing office operations. Caught a couple credit charges for FedEx, which have been addressed-- but there was nothing that cause alarm.

Motion:

Ms. Thompson motioned to accept audit with appropriate amendments. Mr. Olsen seconded the motion. Motion passed.

Mr. Aspinall added that the auditor responded well to questions, feedback, and was helpful in explanations with the Audit Committee. Ms. Berta added that it was a pleasure to work with the firm -- that they were very professional.

Officer reports

Chairperson – Pete Prior, CPPT

1. CEO contract review – Ms. Thompson reported that the committee met and recommends to the board that a contract extend for five years with a \$2,500 per year increase over that five year period. Also recommends that the language for a car allowance be removed.

Motion:

Mr. Olsen motioned to accept the recommendations. Mr. Aspinall seconded the motion. Mr. Prior recused himself from the matter. Motion passed.

2. Raymond T. Edmonson Scholarship – Mr. Prior reported that the scholarship committee would be meeting the following day. Ms. Thompson motioned that \$1,000 be earmarked for seed money for the scholarship. Mr. Spencer seconded the motion Mr. Mattingly would like to amend to motion to clarify a scholarship of \$1,000 be a one-time amount rather than \$1,000 per year to any scholarship winner. Ms. Thompson clarified that the money was “seed money” and the details, rules, and criteria have yet to be established. Those details will be worked out in the upcoming meeting and recommended to the board. Mr. Mattingly withdraws his amendment. Motion for \$1,000 to be used as scholarship seed money with details to be determined by committee recommendation passed unanimously.

Motion:

Mr. Farrell motioned to amend budget for \$1,000 to the 2018 to be used as scholarship seed money, not to be dispersed until 2019. Ms. Thompson seconded the motion. Motion passed unanimously.

Vice-Chairperson -- Dwight Mattingly, CPPT

Mr. Mattingly thanked the staff, CEO, consultants, and the board of directors for their work and preparation. Mr. Mattingly mentioned that he is up for reelection at this conference and wanted to reemphasize the need and the importance for the organization to focus on legislation that could hurt defined benefits and the need to make the membership more invested in those issues. Also mentioned the constitutional revision committee’s efforts to undermine public pensions.

Secretary – Ann Thompson, CPPT

Ms. Thompson reported that insurance is current and all filings are up to date.

Mr. Thompson reported that she already has six commitments for articles for the Voice magazine. She will continue the theme from this year’s conference as the theme of the Voice and plans to walk through the expo hall to garner more commitments for advertising and articles. Ms. Thompson reported that she will be stepping down from creating the Voice magazine and will be handing over those duties to Mr. McKinstry and Ms. Marden.

Ms. Prior thanked and complimented Ms. Thompson’s work over the years with the Voice and passed on the complimentary comments she receives from the membership.

Treasurer – Steve Aspinall, CPPT

Mr. Aspinall reported the bank accounts as the following

Bank Balances Relief Fund:	\$27,349.21
Money Market:	\$154,208.16
Operating Account:	\$387,378.45
Total:	\$568,935.82

Mr. Aspinall reported that amounts do not include costs for the June Conference.

Mr. Farrell asked if the money market account was the “rainy day fund.” Ms. Prior confirmed. Ms. Thompson suggested that the board may want to consider putting some of that fund in a CD.

Ms. Harrell mentioned she came across a 15 month CD with a really good rate. Ms. Prior offered to research that idea. Board discussed what the purpose of the rainy day fund was and whether this was appropriate approach with this fund.

Motion:

Mr. Farrell motioned to direct the CEO to invest \$50,000 of the money market account in a 15-month CD by Mr. Farrell. Mr. Mattingly seconded the motion. Mr. Spencer cast the sole dissenting vote. Motion passed. Mr. Farrell motioned to direct the CEO to invest another \$50,000 of the money market account in a 12-month CD. Ms. Thompson seconded the motion. Motion passed unanimously.

CEO – Kim Prior, CPPT

1. 2018 membership – Ms. Prior reported there are 252 pension board members and 185 Associate members. Numbers reflect a dip from 2017 in membership.
2. Conference attendance – Ms. Prior reported there are 689 attendees registered for the conference. There are 254 guests registered, 52 are paying the \$10 fee along with 202 did not pay as either the first guest or a child under 12.

Mr. Aspinall asked about security at the conference. Ms. Prior said that staff will explain the security policy at registration. Name badge for adults and bracelets for kids are required to get into any FPPTA function at the conference. Ms. Wehrly further explained how the registration for on-site guests would work. Ms. Prior added that the security detail at the hotel knows not to let anyone into the expo hall, session room, or kids’ activities without proper credentials.

3. 2018 budget review – Ms. Prior stated she would like to provide a written report next month once everything has been updated and reconciled.
4. Advisory board appointments – Ms. Prior reported that the advisory board has been reduced in number citing just too many people involved. At one point it was in the high 20’s and is now sitting at 17 members. Ms. Prior recommends the following associates for reappointment to the

advisory board: Richelle Hayes, Jonathan Davidson, Chris Greco, Gustavo Bikkesbakker, and Janna Hamilton.

Motion:

Mr. Olsen motioned to accept Ms. Prior's appointments Ms. Thompson seconded the Motion. Motion carries unanimously.

Ms. Prior reported that Bruce Feiner has stepped down from the Advisory Board as his firm Abel Noser has chosen not to renew their membership. Ms. Prior recommends appointing Cristine Turner of Pension Technology Group to replace him.

Motion:

Ms. Thompson motioned to accept Ms. Prior's appointment. Mr. Olsen seconded. Motion carries unanimously.

Mr. Prior asked if the board would consider making Mr. Feiner an honorary member for the FPPTA for his many years of support.

Motion:

Mr. Aspinall motioned to make Mr. Feiner an honorary member. Mr. Olsen seconded the motion. Motion passed unanimously.

Chief Operating Officer - MJ Chwalik

1. Winter School Financial Report - Ms. Prior reported that the Winter school brought in \$371,737 in revenue. Expenses listed in the financial report. Total income for the school was \$80,251.
2. Wall Street Program – Ms. Prior reported that the original report omitted two Diamond sponsors (one for winter school, one for conference). New report has been handed out. Ms. Prior reported total income for the Wall St. Program was \$155,600. Net income \$33,855 after expenses.
3. Website & App – Ms. Prior reported that the website design and creation is going well and anticipates it will be complete in July. There were some registration issues, primarily due to how administrators manage trustee profiles. Many members have their administrator's email address on their member profile. That needs to be changed and the office will conduct a campaign in July to ask members and administrators to update email addresses. Ms. Prior added that too many of our members (30-40%) are not receiving important updates and announcements as a result of this as well. Ms. Chwalik reported that the new app would be similar to an app the FPPTA staff used at the NIRS conference. It is a mobile website app, basically populated and maintained through the website.

Mr. Farrell asked what percentage of trustees are registered by their administrators and if they have certain website privileges as an administrator. Ms. Chwalik and Ms. Prior explain how the member profiles are structured under the new website and that administrators will be able to register and maintain member profiles from their account and do not need to sign in as each trustee in order to update or register *after* these email changes have been updated.

Mr. Mattingly asked about budget vs actual for the Winter school and if the budgeted amount does not cover the costs for any single event. Ms. Berta answered that the budget consists of the entire years' worth of expenses and events. Some items are harder to estimate costs so that if an event goes "over budget", it may just be how that total amount was divided up for each event. One event's audio visual costs may be more than another events, or if it exceeds expectations staff will look for a way to cut costs on the next event. Ms. Prior reported that they look at last year's expenses and then try to predict expectations for the coming year and make judgements based on that. It's all reported to the board for consideration in making the budget for the following year. Mr. Mattingly says that it could be useful for the board to understand how that money is juggled between events as they make the next year's budget. Mr. Farrell suggested using "projected expense" instead of talking about the overall budget, because that could be confusing depending on how money is divided to each event on any given year.

Ms. Thompson asked about what staff will be able to do with the new website. Will the FPPTA need to constantly go to the programmer to pull reports, or make changes, or load documents, etc. Ms. Prior answered that there may be some things in which the programmer is contracted on a case by case basis as it pertains to programming, but staff will be able to send communications, pull reports, and make changes to the website.

Ms. Prior also reported that under office operations, the office had landscaping done to the property and it turned out really well.

Director of Research – Sean McKinstry, CPPT

1. 34th Annual Conference - Mr. McKinstry reported that he worked with Ms. Marden and Dr. Nesbitt to present on "How to Communicate with Your City Commissioner" - the presentation talks about how to talk to city officials, how to prepare documents for your representatives, and how to tailor a message to as specific audience. Mr. McKinstry also reported that he worked with Ms. Marden and Netza Rodriguez from the A/V crew to create a 5-minute opening video for the conference as Mr. Hapgood reported earlier.
2. Public Pension Institute -- Mr. McKinstry shared the new design of the Public Pension Institute with the directors. He stated there is still some work to be done regarding backfilling more content and working with staff and consultants to streamline and integrate our communications strategy and how to best utilize the tools we have. Ms. Thompson offered compliments to the new design. Ms. Marden also noted the website has incorporated our social media platforms.
3. Communications - Mr. McKinstry reported that he puts together the emails that go out to membership. He works with Ms. Prior to coordinate what emails need to go out and when. He also continues to work with Ms. Marden on efforts of communication outreach.

Committee Reports

Audit committee – Steve Aspinall, CPPT

No report.

Bylaws Committee -- Tim Olsen, CPPT

No report.

Executive Oversight Committee – George Farrell, CPPT

No Report.

Exhibitors Hall – Ken Harrison, CPPT

Mr. Harrison reported that 65 out of 70 booths had been filled. Food will be in the exhibit hall. Mary Byrom will help run the exhibitors. Mr. Harrison said he could use some help for the election duties.

Election Committee – Ken Harrison, CPPT

Mr. Harrison reported there are seven candidates for election and three spots open.

Golf Committee – Steve Aspinall, CPPT

Mr. Aspinall reported that everything is ready to go for Sunday's tournament.

Relief fund – Steve Aspinall, CPPT

Mr. Aspinall reported payments made out of the relief fund were reported in the treasurer report.

Mr. Olsen made a motion to make Mr. Farrell an honorary member for a two-year period with the opportunity to extend that honorary membership once. Mr. Spencer seconded that motion.

Mr. Farrell says it's been fun. He appreciated the frank discussions over the years. Mr. Farrell compliments the progress and growth the organization has taken over the last 8-10 years. Mr. Farrell hopes that the board continues to keep in mind the times when the organization was not in as good a shape as it is now and remembers to learn from those experiences. Mr. Farrell says he expects to be appointed to the Wilton Manors Pension Board, which is a closed plan. Looking forward to the new challenge and will remain active in the FPPTA. Mr. Farrell said he is leaving the organization in a good place and appreciates being offered the honorary membership. Mr. Farrell spoke of the importance of the institutional knowledge as the organization goes forward.

Pete mentions that some will win with the minority vote with 7 candidates. Mentions that maybe the by-laws.

Mr. Mattingly said he became a director in 2012. He thanked Mr. Farrell for the leadership he exhibited as a director and compliments his ability to speak honestly.

Motion:

To make Mr. Farrell an honorary member for two years with the opportunity to extend that membership once passed unanimously.

Ms. Prior thanked the directors for the renewal of her contract. She appreciates their vote fo confidence and states she loves her job and her team. Ms. Prior also thanked Mr. Farrell for his 19 years of dedicated service to the board.

Chairman thanks everyone for their time and efforts.

Motion to adjourn by Mr. Olsen. Mr. Aspinall seconded the motion. Motion passed.

Meeting adjourned at 5:16PM.

Submitted by FPPTA Staff