



**FINANCE COMMITTEE MEETING MINUTES
TUESDAY, AUGUST 27, 2019**

PRESENT	Bob Buehn Brian Halstead Blaine Hedges Dr. Debra Jackson Clarke Orzalli Hal Stearns Cherise Imai Lindsey Dablow Richard Pryor	Florida Commissioner/Chair Nebraska Commissioner Kentucky Commissioner New York Commissioner Massachusetts Commissioner Montana Commissioner Executive Director/Secretary Training and Operations Associate Communications Associate
EXCUSED	Greg Lynch Craig Neuenswander	Washington Commissioner Kansas Commissioner Designee

ITEM 1 – CALL TO ORDER

1. The meeting was called to order at 11:00 AM EST by Bob Buehn, Florida Commissioner, Treasurer and Finance Chair. Executive Director (ED) Cherise Imai conducted the roll call.

ITEM 2 – AGENDA AND MINUTES

2. The day's agenda and meeting minutes from August 27, 2019, were approved as presented.

ITEM 3 – REPORTS

3. **Executive Committee (EXCOM)** – Chair Buehn reported the EXCOM adopted several policies. ED Imai reviewed the highlights of each policy and stated the documents were available on the website. Members did not offer questions on the policies: 1-2019: Resolving Compliance Issues; 2-2019: Conflict of Interest; 3-2019: Guidelines for Commission Meetings; 4-2019: Ex-officio Representative Role & Responsibilities; 5-2019: Defining the Role of Commissioner, Designee & Proxy.

4. **FY19 Dues, Budget and Expenses, Investments, Audit** – ED Imai updated the committee on the status of the dues collection, current fund balance, and budget. Current expenditures are on target with end-year projections and the report reflects ending the year \$25,000 below the budget. She added the Commission was erroneously charged for additional rent of \$5,000, which will be refunded to the MIC3 account. This amount resulted in the Commission \$30,000 under budget this year. \

5. The annual audit was conducted by Blue and Company and is scheduled for completion on August 31. She will forward the report to the Committee for approval via email. She added the report will be disseminated at the Annual Business Meeting and posted on the webpage.

6. **FY20 Approved Budget and Dues** – ED Imai reminded the dues increase for \$1.15 per student is effective this fiscal year. Invoices would be emailed in May-April to state points of contact and Commissioners. The Approved Budget was provided for review. She concluded the budget reports for August will be released in September.

ITEM 4 – OLD BUSINESS

7. **Kentucky Retirement System** – Mr. Jason Moseley, Deputy Director of the Council of State Governments, referenced the memo dated December 18. During the 2018 legislative session, there

were two bills were passed that addressed: 1) overhaul pension reform, and 2) providing a 49% hold harmless for 114 agencies (like CSG). Mr. Moseley said while the overhaul bill was passed, it was immediately challenged by the Attorney General, which escalated up to the Kentucky Supreme Court (KSC). In December, the KSC determined unanimously determined it violated the constitutional requirement of 3 hearings, which nullified the bill. The second bill on a hold harmless for quasi-governmental agencies was upheld.

8. New language has not been introduced regarding the pension overall although discussion on addressing quasi-governmental agencies has commenced. The Assembly is aware and acknowledged that agencies like CSG (public libraries, mental health providers, county health departments and organizations) are not able to withstand the current or the higher proposed 83% employer contribution rate. They have discussed holding at the current rate, with the understanding of the \$133M unfunded liability this creates. He noted CSG is paying more into the system, from which we receive benefits, and other solutions and scenarios are under consideration. CSG is meeting with officials to introduce a CSG specific bill that includes an exit option for CSG affiliates. Mr. Moseley said confirmation of proposed language would be available within the next several weeks, and the session ends mid-March. He reconfirmed June 30 is the rate-hold expiration and emphasized CSG is not a singular voice in this effort and many organizations will be negatively impacted without a resolution. (OPEN ITEM)

ITEM 5 – NEW BUSINESS

9. **2019 ABM – Leadership Development Ad Hoc Committee ByLaws Change** – ED Imai reviewed the change regarding making the Ad Hoc permanent. The change does not require the Commission to release a public notice however she did not anticipate opposition to this change.

10. **2019 ABM – Finance Presentation Topics** – ED Imai reviewed the presentation slides which included: Dues: background, data source, formula, process and timeline; areas of impact on the Commission finances: membership growth, KERS; key accomplishments since inception; and looking forward: addressing current and future needs, development of Reserve and investments policies (ref Strategic Plan). Members commented the topics clarify the finance and budget process of the Commission and would build understanding among Commissioners.

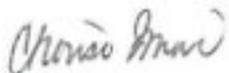
11. **FY2021 Dues: Proposal and Timeline** – ED Imai reported Human Resources has informed the Commission the *employee benefits employer contribution* will increase 12% in the next fiscal year. Due to this, she increased the budget line item for the next fiscal year.

12. **FY2021 Budget Proposal** – ED Imai presented the proposed budget for approval.

13. **Strategic Plan** – Chair Bob Buehn reviewed the new strategic plan draft, goals, and tactics. He thanked members for their input and stated the Committee would review the document at the Annual Business Meeting to finalize the priorities for the upcoming year.

ITEM 6 – ADJOURNMENT: Chair Buehn adjourned the meeting at 11:37 AM EST.

Respectfully submitted by,



Cherise Imai
Secretary/Executive Director