**State of Alaska**
**ALASKA RETIREMENT MANAGEMENT BOARD**
# AUDIT COMMITTEE MEETING

**Dena'Ina Convention Center**
**Kena'katnu Board Room**
**600 W. 7th Avenue**
**Anchorage, Alaska**

**June 17, 2015**

## ATTENDANCE

**Committee Present:** Martin Pihl, *chair*
Kristen Erchinger
Gayle Harbo

**Committee Absent:** None

**Department of Revenue Staff Present:**
Jerry Burnett (deputy commissioner)
Pamela Leary (Treasury Division director)
Gary Bader (chief investment officer)
Scott Jones (state comptroller)
Judy Hall (board liaison)

**Department of Administration Staff Present:**
John Boucher (deputy commissioner)
Jim Puckett (chief operations officer, Retirement & Benefits Division)
Kevin Worley (chief finance officer, Retirement & Benefits Division)

**Others Present:**
Mike Hayhurst (KPMG)
Melissa Beedle (KPMG)
ARMB Trustee Sam Trivette
Stuart Goering (board legal counsel, Department of Law)
Mike Barnhill (Office of Management & Budget)

## CALL TO ORDER
CHAIR PIHL called the meeting to order at 1:00 p.m.

## ROLL CALL
All three committee members were present.

**PUBLIC MEETING NOTICE**
MS. HALL confirmed that public meeting notice requirements had been met.

**APPROVAL OF AGENDA**
MS. HARBO moved to approve the agenda and MS. ERCHINGER seconded. Without objection, the agenda was approved.

**APPROVAL OF MINUTES – February 11, 2015**
MS. ERCHINGER moved to approve the minutes of the February 11, 2015 meeting. MS. HARBO seconded. The minutes were approved as presented.

**PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS AND APPEARANCES**
There were no public appearances, and MS. HALL reported there were no communications to the committee.

**REPORTS**

**A. Review Independent Auditors' Audit Plan, Discuss Scope, Staffing Locations, Sensitive and Risk Areas, Compliance, Reliance upon Management, and General Audit Approach**

CHAIR PIHL said that, because there was another meeting scheduled immediately following this one, he had asked KPMG to concentrate their report on aspects of the audit that are new, such as employer audits.

*[A copy of KPMG's audit plan for the Department of Revenue and Division of Retirement & Benefits for the period ended June 30, 2015 is on file at the ARMB office.]*

MIKE HAYHURST, lead engagement audit partner at KPMG, indicated that the slides included some standard language that has not changed year over year. He intended to focus on some specific slides for more in-depth conversation. He briefly reviewed the client service team on slide 1, saying that there was very good continuity on the team for this year's audit, including the specialists.

CHAIR PIHL asked when Mr. Hayhurst's required rotation was. MR. HAYHURST said he still has a few years: the issue is that the firm is transferring him back to Boise as of August. That move will not impact his being partner on this year's audit. KPMG will work with the State and ARMB to figure out the right resource partner for the future.

MR. HAYHURST moved forward to slide 8, information on the risk assessment between the Treasury Division and the Division of Retirement & Benefits. He said nothing significant has changed from the prior year; however, he wanted to touch on the topic. The one significant risk that is identified is the valuation of the alternative investment portfolios. The testing this year is very similar to what KPMG has done in the prior years: first, looking at internal controls and what management does to stay on top of the valuations in the portfolio and the underlying risks in those investments. KPMG also looks to the comptroller to pull together one hundred percent of the alternative investments in a risk matrix that helps KPMG categorize the risk. KPMG selects a sample of alternative investments from that, and they do confirmations with the investment fund managers. They also get the financial statements and do back testing to look at what fund managers previously reported as their estimate of valuation compared to the audited financials. KPMG can then conclude whether or not the managers continue to have the ability to provide accurate estimates in the fund statements received before the audited financials. KPMG also does benchmarking analysis to validate that what they are seeing is consistent with various benchmarks.

Chief investment officer GARY BADER remarked that the language that the alternative investment valuations in Treasury are not appropriate was a bit troubling to him. MR. HAYHURST clarified that the risk is that the valuations are not accurate or proper, and that is what KPMG is auditing. Historically, KPMG has not found any issues with the valuations of the alternative investments. Responding to the Chair, he said he would try to come up with language that would be clearer and work for everybody.

Turning to the Retirement and Benefits side, MR. HAYHURST said KPMG has identified three significant risks there: (1) that the retirement obligations are not evaluated properly by the actuaries, which would result in misstatement of retirement obligations in the financial statements; (2) that the payroll and census data from the employers are not reported accurately; and (3) that net pension liability allocations are not reported appropriately. KPMG's methodology on auditing the payroll and census data has not changed from last year: they classify the employers into three risk categories based on the size of the contribution relative to total contributions into the retirement systems, and employers of a certain size are tested every year, while another group is tested on a rotation of every five years, and one other group is on a ten-year rotation.

MS. ERCHINGER mentioned Alaska's bleaker financial situation today and said she was curious if KPMG in other states similarly situated offered an opinion on the overall risk of being able to meet the obligations to make contributions or anything of that nature.

MR. HAYHURST said KPMG would not opine on a specific risk of any individual employers ultimately being able to make a payment into the system. The opinion they issue is on the financial statements themselves and on the adequacy of the disclosures. One thing they would assess is potentially if there is a concentration or a significant risk around that that should be disclosed in the financial statements, or if they lead to specific valuation issues if those have been appropriately recorded.

MR. HAYHURST said the third risk he listed for the Retirement & Benefits side gets not to the financial statement of the systems themselves but to the schedules that are the follow-on that relate to the allocation of the unfunded pension obligation, as well as the allocations of the activity for the period within the schedules allocated by employer. He referred to slide 11 that talks about those schedules. He said at the last ARMB meeting KPMG talked about trying to walk a tightrope with what they consider to be a potential elegant solution of issuing a set of schedules that presented the information as if the on-behalf payment is a special funding situation. KPMG believes, based on what they know and hear in the discussions they have had with the GASB at a national level, that what the State has meets the definition of a special funding situation within the GASB. That would allow KPMG to be able to move forward with issuing an opinion on the schedules, but potentially having the State, because they feel quite strongly that it does not meet the definition because of a constitutional clause against earmarking that calls into question the validity of the statutes from a legal validity standpoint, then having to make a decision at a later point in time if they were going to show the special funding in the State's CAFR (comprehensive annual financial report) related to that. KPMG explored that a bit more, and he thought the firm was not comfortable with that answer, although it may have been somewhat elegant. KPMG has an issue with putting schedules in that show the special funding situation, issuing an opinion on it, having a number of employers who then would be using those schedules to present their financial statements, but the largest employer in the state would be presenting the information in a completely opposite manner and taking a position that it is not a special funding situation within the State's CAFR. KPMG has had a number of conversations, and while they have not really come into an agreement on the different views, he thought the discussions themselves have been amicable and constructive, just not constructively getting to a place where both parties are in the same spot with an answer. The next step is to explore the potential of, without issuing an opinion on the schedules, saying that they are in accordance with GAAP and is there some level of work KPMG could do on the underlying inputs. The State could issue schedules both ways, and KPMG could provide some underlying work on the data that is in there that would potentially mitigate the risk for the CFO that he will have multiple employers and multiple employer auditors coming in trying to do the same work on the underlying information. MR. HAYHURST invited Mr. Barnhill to speak on his concern relative to the State's CAFR and financial information and the validity of showing the on-behalf funding as an obligation.

MIKE BARNHILL, policy analyst at the Office of Management and Budget, stated that no matter what position the State takes, the State will report in some fashion in the CAFR the total amount of the net pension liability, both for the State as an employer and net pension liability attributable to state assistance. The question on the latter piece is whether the net pension liability that is attributable to state assistance payments will be reported on the face of the balance sheet in the CAFR or in a footnote to the balance sheet in the CAFR.

MR. BARNHILL said the overarching objective, as he understands it in GASB 67 and 68, is to ensure in a multi-employer public pension plan that the entirety of the net pension liability is reported and made transparent in the CAFRs of participating employers. That objective, in the State's opinion, can be achieved in both ways; either on the face of the balance sheet or in a footnote. The contributing issue to deal with is the State of Alaska is somewhat unique in that there is a constitutional prohibition against dedicated funds, which Alaska's Supreme Court had multiple opportunities to address and has done so extensively. So, by statute, the State cannot dedicate a revenue stream. The Court struck that down most recently in 2009 when the legislature attempted to create an endowment for the university. That queues up the enforceability of the state assistance statutes that were enacted in 2008. The State agrees that those statutes are funding statutes and that the legislature has appropriated funds on behalf of employers in connection with those statutes. But if there were to be a lawsuit asserting that, by virtue of those statutes or by virtue of that funding, the State has become legally obligated or legally responsible for the underlying net pension liability of the municipalities and school districts the Court would easily say no, that those statutes do not create that responsibility or obligation. That is the conundrum in how to implement GASB 67 and 68.

MR. BARNHILL stated that when KPMG surfaced the elegant solution in December and in further discussion in February, he said he was very hopeful that would provide a solution to resolve this problem. Based on the discussion that took place this morning, it looks like there may still be some remnant of the elegant solution still in play if the State wants to pursue that. He said one thing to bear in mind going forward is that in the wake of the $3 billion appropriation and the statutory configuring of how the unfunded liability is amortized, the amount of state assistance obviously is declining by a very material amount, going from somewhere in the range of a billion dollars a year to somewhere under $300 million a year. The special funding attribution is based on the state assistance, so the amount of special funding in FY16 and going forward is becoming quite small. As a result, the issue becomes smaller in FY16 and going forward. The net pension liability is also declining over time. He could see for the first year municipalities having some concerns, but in the subsequent years the issue just becomes smaller by virtue of the $3 billion appropriation and the change in the amortization.

MR. BARNHILL said the State is continuing to explore some element of the elegant solution, but, as he has reported in the past, the State has been quite consistent in adhering to the notion that these statutes do not create enforceable legal obligations because of the dedication clause. He said it may be noteworthy to know that last week the New Jersey Supreme Court issued a decision on the enforceability of a state statute that purported to create a contract between the state and state employees with respect to pension benefits. This was a funding statute that was enacted a few years ago in New Jersey, and it called for the state to make increasing amounts of payment towards the pension system's unfunded liability. Last year, Governor Christie decided that he was unable to meet the statutory requirement for funding and essentially said the state would only do part of it. Lawsuits were brought, and the New Jersey Supreme Court upheld Governor Christie's decision not to fully fund the statutory amount. New Jersey does not have a dedication clause, but the state's constitution has a debt limitation, which requires that any debt over a certain percentage of the New Jersey budget must have the approval of the people of New Jersey. That had not happened, and the Court said that funding statute was unenforceable. A slightly different context, but it still stands for the same proposition. The state constitutions have constitutional provisions that interdict or prevent the formation of funding contracts that create legal obligations in certain circumstances, and Alaska has probably one of the strongest ones in the country.

CHAIR PIHL asked if, as the sponsor of the plan, the State would be required to disclose the total unfunded liability and go on to say that it is being met by employer contributions and state assistance over time, and the employer contributions are going to fund some number of the total.

MR. BARNHILL stated that the total amount of the net pension liability (or unfunded liability) has already been disclosed in the Division of Retirement & Benefits CAFR and valuation, and the Division of Retirement & Benefits is the plan administrator for the sponsor of the plan. That has always been the case. The difference with GASB 67 and 68 is the requirement to do more than just put it in a valuation or a financial statement of the plan sponsor: the requirement is to put it in the financial statement of the participating employers.

CHAIR PIHL asked if the State's interpretation and the method of allocation had been put into writing, and if the schedule exists that shows the allocation on that basis.

MR. BARNHILL replied yes, adding that the method was reduced to writing, in the first instance, a year and half or more ago. He thought it had been circulated to the ARMB, and he had made a presentation to members of the Alaska Municipal League, as well as the Alaska Governmental Finance Officers Association (AGFOA) a year and a half ago, with the method articulated in some detail, along with the options. He also requested comments from participating employers. The schedules have been reduced to writing and KPMG has those. The discussion has circulated around in what format KPMG can certify those schedules or not. The parties are still hunting for how to conclude the conversation in a way that essentially preserves the State's constitutional concerns but enables employers to prepare and finalize their CAFRs.

CHAIR PIHL asked if the employers had been advised of their share of the allocation. MR. BARNHILL said the State had not issued the schedules. CHAIR PIHL inquired about the time frame for that to happen to meet the GASB requirements. MR. HAYHURST told him that Mr. Worley had communicated a commitment to try and get the schedules out by August 15 in some form of certification, if KPMG is able to do that. He said that realistically, on a go-forward basis, once KPMG and the State have worked through some level of resolution on this, a better timeline would be to get the schedules out in the spring so that the employers have more time to work through their process and get the numbers into their financials.

MR. WORLEY explained that employers said the drop-dead date to have the information available to them would be August 15 so they can meet their deadlines with their auditors. School districts, in particular, have a statutory requirement for October or early November.

MR. HAYHURST moved on to slide 12 to explain the employer census testing that KPMG does in employer audits. For PERS (Public Employees' Retirement System) there are approximately 19 specific employer locations that KPMG is going to this year, and approximately 17 employer locations related to TRS (Teachers' Retirement System). KPMG will test the completeness and accuracy of the census data, including looking at the underlying payroll records, and then specific testing on the census information underlying that as well.

MS. ERCHINGER asked what happens if KPMG finds that the employer data being submitted is not complete and accurate. MR. HAYHURST replied that the reality is that he would be extremely shocked if KPMG found absolutely no discrepancy at an employer. Similar to what they did last year, they summarize the discrepancies and determine if they relate to underlying census data of the employee or if they relate to underlying accuracy of financial information that was submitted in payroll data. Last year they did not run into significant issues around the total payroll data itself being submitted; typically they ran into issues with census data information. An area where KPMG struggled was around married/not married, where records do not get updated. They had a sit-down with the actuary from Buck Consultants to talk through what all those were in order to understand how that would potentially impact the actuarially determined liability. That conversation has allowed KPMG this year to refine the things they are looking at, because they learned that some things that KPMG found were significant items really do not impact the liability number once it is done. They did not find a systemic issue with any one employer; it was usually one-offs from one employer to another. If KPMG ran into something, the ultimate impact could go from needing to increase the sample of employers they look at, or if they find that it is an issue with one employer, potentially increasing the scope of the information they look at with that employer to determine if they can get their hands around the potential issue and then work with Buck to say they know what all the issues are with that employer and what that does to the actuarial reporting and would it ever be material.

CHAIR PIHL remarked that this has been an issue of concern for a number of years. He asked that KPMG report back to the committee the results of the employer audit and whether the findings are similar to what the committee has been getting from the Department of Administration, as well as KPMG's judgment on materiality overall.

MR. HAYHURST responded that KPMG would report the key areas similar to last year, likely at the December meeting.

MS. ERCHINGER asked how it would be handled if KPMG does not agree with the State's ultimate determination as to how to present the allocation.

MR. HAYHURST said that KPMG would not be associated with it, meaning there would be no reason for them to go forward and do any audit work and issue an opinion that would end up being something like an adverse opinion. At that point, the schedules essentially become unaudited schedules. So the next piece KPMG is working on is if there is something they can do where they are not associated with the appropriateness of the presentation, because it may take the form of both (reporting on the face of the balance sheet and in a footnote) and the employers can then decide. Perhaps they can do something on the accuracy of the input so that DRB does not have every employer showing up to test census data, etc. That is an unknown right now and the next piece that KPMG has to work on.

MS. ERCHINGER commented that ultimately it is just an accounting issue versus a legal issue. She said she liked Mr. Hayhurst's answer that KPMG will not be affiliated with it and will distance itself from being involved in the situation. As a member of the Audit Committee, she was inclined to jump on the same bandwagon and say that if the "State" is making the decision, it is not the "State" people who normally make decisions about what to present in a comprehensive annual financial report, so it puts KPMG in a very unique, very uncomfortable position. She has the same discomfort with that. She had not realized what the ultimate outcome was and thought that the issues had been settled after nearly two years of discussions. She thanked Mr. Hayhurst for clarifying the status.

MS. HARBO said the committee had discussed at a previous meeting that some employers who were audited were collecting the retirement deductions and not forwarding them to the State. That has a significant impact on an individual's retirement account, so she asked how that is followed up.

MR. HAYHURST gave his perspective from the external financial statement standpoint for PERS and TRS. In the process of looking at the allocations by employer, Mr. Worley had done a detailed analysis of which employers are contributing, and which employers are not and have a pension obligation. Without minimizing the impact to any individual employee who ultimately may not be getting contributions to their account, he said the numbers are relatively inconsequential to the financial statements for PERS and TRS. The non-contributors are the smaller employers, and the total amount of contributions relative to the total amount that is being contributed is tenths of a percentage type of size.

MR. HAYHURST indicated he was finished with the slide presentation.

**B. Discussion of Division of Retirement & Benefits Audit Schedule**

MR. WORLEY referred to a handout of the FY15 Audit Schedule for DRB *(on file at the ARMB office).* He mentioned the intention to get things done quicker than last year. New GASB 67 requirements last year pushed items into December, while this year all the disclosures worked on last year are pretty much set in stone. The brunt of the division's field work will be done in September, which is normal. He pointed out the October 8 proposed date to provide the DRB audited financial statements for the Audit Committee to review, and then October 15 to hold the Audit Committee teleconference to discuss and approve the draft financial statements. There is a December 31 deadline for getting the CAFRs to the governor, and he hopes to have those done in November. These documents are not published online or available to anyone until after the financial statements have been presented to the Audit Committee and the Alaska Retirement Management Board and approved.

**C. Committee Requests: Areas of Interest/Review**

CHAIR PIHL said he had already mentioned the allocation and the employer audits.

**D. Discuss Any Significant Changes to Applicable Accounting Principles and Any Items Required to be Communicated to the Independent Auditors**

MR. HAYHURST mentioned that on slide 20 of his presentation was a timeline of the other post-employment benefit (OPEB) project, the next big piece following GASB 67 and 68 related to pensions. Looking out to 2017 and 2018, there is a similar standard being issued, both for what is presented within the financial statements of the retirement benefit plans themselves and then the employer side of things.

MR. HAYHURST said there are some other miscellaneous standards that have been issued around valuation of financial instruments. That will not significantly impact the State, as it has been mostly valuing assets at fair value the way the standard represents.

Referring to the pension liability reporting, MR. HAYHURST stated that in the discussions over the last couple years and over the last month or so on the phone with Mr. Barnhill he was aware of a level of frustration with the current status, both from the standpoint of the State and the constraints in the language within the standard saying "legally obligated," and the constraints KPMG runs into with their professional standards. Irrespective of having gotten to a point where they are agreeing to disagree, he very much appreciated that the tone and nature of the conversations have been very good by all parties. He respected the representatives of the State sticking to the facts and their different viewpoint, and KPMG just found itself on the accounting side of the issue.

**E. Review Any Legal Matters that May Impact Fund's Financial Statements, the ARMB's Compliance with Applicable Laws and Regulations, and Any Inquiries Received from Regulators or Governmental Agencies**

Board legal counsel STUART GOERING stated that he was not aware of any legal matters that would affect the audit. However, often auditors will have legal counsel circulate to all members of the department a request to identify such matters. He has not received that request but would be happy to pass it along if he gets it.

**F. Department of Revenue – Treasury Division**

1. <u>SSAE16 – Reporting on Controls at a Service Organization</u>

State comptroller SCOTT JONES referred to a memorandum in the packet regarding the SSAE16, also known as the SOC 1 (Service Organization Controls) *(memo dated June 8, 2015 is on file at the ARMB office)*. He reported that he and the director of Treasury, Pamela Leary, conducted a due diligence visit to State Street Bank in August 2014 and went over the most recent SOC reports with them there. Since then, the September and December 2014 and March 2015 SOC reports have come out from both State Street and NRS. There has been no change in auditors at either place, and there were unmodified opinions for both NRS and State Street. None of the exceptions that were noted were material.

Responding to the Chair, MR. JONES said that NRS issues their reports once a year on December 31. State Street issues reports twice a year, in September and March. Staff reviews those reports as they come in.

2. <u>Personnel Succession (Organization Chart)</u>

Treasury Division director PAMELA LEARY referred to an organizational chart in the packet (on file) that was a snapshot of the current staffing. There are five vacancies, and four of those represent three accountant positions and a new research analyst position that is vacant. Some of the positions had recruitments, but those searches lagged due to budgetary issues and a hiring freeze. The hiring freeze has been lifted, and the division is in the process of trying to fill the vacancies. The vacancy on the investment side is Paul Hackenmueller's position, and Mr. Bader mentioned Paul's leaving at the last meeting. The bottom line is there is not much turnover in the Treasury Division.

**G. Department of Administration – Division of Retirement & Benefits**
**Personnel Succession (Organization Chart)**

DBR chief operations officer JIM PUCKETT referred to a handout of a June 15 memorandum that addressed the Audit Section personnel succession *(on file at the ARMB office)*. He stated that when Kay Gouyton retires, Melanie Helmick, who was hired in February, will move into that auditor position. Then the division will recruit and fill the vacant position created by the lateral transfer of Melanie. Ms. Helmick is doing a superb job of assuming the duties of a compliance auditor. She has experience from working with Legislative Audit and in another audit position in previous employment. Obviously, the historical knowledge that Kay has will be missed, but he did not anticipate any problems with Ms. Helmick being able to do the job. Ms. Gouyton has been organizing files and documents and showing Ms. Helmick where everything is. Ms. Gouyton will also be available to check with if any documentation cannot be found.

MR. PUCKETT responded to the Chair, saying there has been nothing alarming for the employer audits that have been done recently. The auditors are in the field right now, and the report he got this morning was that the audits on this trip have looked clean so far.

MS. ERCHINGER remarked that she met Ms. Helmick this morning and thought DRB management did a good job in selecting her. She said that a few years ago, in anticipation of Ms. Gouyton retiring and preparing for that, management has done a lot of work around electronic storage of the records to simplify retrieving that historical information. She commended management and staff on that because going forward that will be invaluable to anybody who is trying to piece together the past.

Deputy commissioner JOHN BOUCHER said that Mr. Puckett had mentioned to him considering a contractual arrangement with Ms. Gouyton to provide some ongoing training and be a resource to Ms. Helmick for a period of time.

MS. ERCHINGER recalled a report a couple of years ago that the Social Security Administration had stated that they did not want their funding going toward auditing the retirement systems but to be used solely for Social Security audit work. She asked Mr. Puckett if he envisioned in the future having a separate person who does just Social Security audit work and other auditors doing just retirement systems.

MR. PUCKETT replied that with the number of employers and the population it does not make sense to have a single person doing strictly Social Security responsibilities. He did not see splitting that out in the near future. He thought one person would take care of the Social Security responsibilities and also do compliance auditing. The allocation of the funding for the position is already split, and management does look at that every year to see if it needs to be adjusted. The second audit position is the backup to the Social Security administrator, so the allocation of funding for that position is also split to reflect the amount of time that they serve as a backup.

MS. ERCHINGER asked if the second auditor would be on board before Ms. Gouyton leaves. MR. PUCKETT said he would love to do that but did not see how it was possible, given the time frame.

CHAIR PIHL asked when the retiree health plan for the defined contribution plan would be finalized and published. MR. PUCKETT said as soon as possible. CHAIR PIHL said he asked because it has been a finding in the actuary reports and the reviewing actuary reports, and the DCR plan has been in place almost ten years without a retiree health plan.

MR. BOUCHER said it is one of the department's higher priorities, and it is his goal to have a plan fleshed out by the end of this calendar year. A draft plan is in place, which is under review, and they want to take it through a public process as well. That tentatively may happen in the fall. There is no formal implementation or roll-out plan right now, but it is a goal to get the plan in place this year.

He noted that having no health plan in place is a problem that existed a long time prior to his joining department management.

CHAIR PIHL inquired if there were any DCR retirees. MR. BOUCHER said no. MR. WORLEY added that it is ten years to qualify for the retiree health plan, so June 2016 would be the earliest possible retirement. MR. BOUCHER said there are people who are shown on the statement, but he understood they were occupational death and disability benefit recipients.

**H. Committee Performance – Self-Assessment (per Charter)**

There was no discussion.

**I. Review Committee Charter and Action Plan**

CHAIR PIHL solicited comments on how the Committee Charter has been working. There were no comments.

**J. Further Meeting Schedule**

The Chair noted that Mr. Worley earlier proposed October 15 as the committee teleconference meeting to review the draft financial statements that the division will send to the committee by October 8.

The next meetings are Wednesday, September 23, 2015 in Fairbanks and Wednesday December 2, 2015 in Anchorage.

CHAIR PIHL drew attention to the proposed 2016 meeting schedule in the packet. MS. HALL noted that the proposed 2016 schedule is based on the proposed 2016 Board meeting schedule, which is on the agenda for approval at this week's meeting.

**OTHER MATTERS TO PROPERLY COME BEFORE THE COMMITTEE**

There were no other matters.

**PUBLIC/COMMITTEE MEMBER COMMENTS**

There were no comments.

**ADJOURNMENT**

The meeting adjourned at 2:00 p.m., on a motion made by Ms. Harbo and seconded by Ms. Erchinger.

Note: An outside contractor prepared the summary minutes from staff's recording of the meeting. For in-depth discussion and presentation details, please refer to the recording and staff reports and written presentation materials on file at the ARMB office.

Confidential Office Services
Karen Pearce Brown