

Work Session on Teleconferencing

Issue

Should the SCPP adopt a rule on teleconferencing? "Teleconference" can refer to any of several alternative meeting formats that allow participation from a remote location.

Background

E2SHB 2617 (2010 c 7) requires boards and commissions (boards) that are funded from the General Fund to cease travel reimbursements for members, and, where feasible, use alternative means of conducting meetings that do not require travel.

Boards such as the SCPP that are funded by sources other than the General Fund are *encouraged* to do the same.

Before ESSHB 2617 passed, the SCPP held a work session on a proposed rule on teleconferencing at its December 15, 2009, meeting. The Assistant Attorney General representing the committee prepared the proposed rule. The SCPP chose to postpone the issue to allow for further consideration.

At the June 15, 2010, meeting, the Executive Committee asked staff to prepare options for the SCPP's consideration. In constructing the options, the staff were instructed to be mindful of a need for a consistent policy, and to consider the effects of any option on attendance at meetings. Three options are presented here for review.

Option 1

Members may not participate or vote by teleconference.

Pros:

- ❖ Consistent and simple.
- ❖ Encourages in-person participation.
- ❖ Does not increase the likelihood of technological problems and distractions.

Cons:

- ❖ Does not respond to Legislature's stated intent.
- ❖ Inflexible.
- ❖ May reduce participation.
- ❖ Does not accommodate weather-related problems resulting in non-attendance.

Option 2

Members may participate and vote by teleconference, without restriction.

Pros:

- ❖ Consistent and simple.
- ❖ Meet's Legislature's intent.
- ❖ May increase participation.

Cons:

- ❖ May encourage members not to attend in person.
- ❖ Increases likelihood of technological problems and distractions.
- ❖ Requires additional efforts by chair and staff to accommodate.

Option 3

Members may participate and vote by teleconference if approved by the chair in advance of the meeting, or by the vice chair in the chair's absence. In considering whether or not to approve appearance by teleconference, the chair may consider:

- ❖ Attendance record of the member.
- ❖ Reason for not attending.
- ❖ Number of members not attending in person.
- ❖ Importance of vote.
- ❖ Time constraints.
- ❖ Inclement weather.
- ❖ Need for a quorum.
- ❖ Technological issues including, but not limited to, the following:
 - ◇ Member's ability to view all presented materials.
 - ◇ Members ability to clearly hear the other members and vice versa.

The chair will periodically confirm that members participating by teleconference are still participating, and in particular, that they have voted. If a member cannot be clearly heard, the chair may make reasonable attempts to reestablish contact. Otherwise, participation will be terminated.

The chair may also terminate participation at any time if such participation becomes disruptive, for example, due to excess noise or feedback.

Approving participation or terminating participation is a procedural matter, and a majority vote of members present may override the decision of the chair. (For clarity, SSCP Rule 5 could be modified to explicitly list decisions regarding appearance by teleconference to be procedural matters if this option is adopted.)

Members participating by teleconference will be considered "present" for the purposes of SSCP Rule 5, and the term "teleconference" will be used inclusively, to include telephone and other alternative meeting formats.

The ultimate responsibility rests with the members participating by teleconference to ensure their own participation.

Pros:

- ❖ Encourages, but does not require in-person attendance.
- ❖ Allows flexibility by providing guidance, rather than a bright-line rule

Cons:

- ❖ Discretion allows for inconsistency between chairs.
- ❖ May encourage members not to attend in person.
- ❖ Requires additional efforts by chair and staff to accommodate.

Other States

The National Association of Public Pension Attorneys released the results of a recent survey polling a sample of 41 retirement fund boards in 29 states (and the District of Columbia) to see if the governing boards of those funds allowed voting by phone.

Of the boards polled, 33 allowed voting by phone, while eight did not. The poll included the Washington State Investment Board, which does allow members to vote by phone.

Not all the polled boards use a black and white rule. For example:

- ❖ Two boards allow voting by phone based on a member's attendance. The New Mexico Educational Retirement Board allows a member to vote by phone only once in a 12-month rolling period. The Montgomery County Employees' Retirement System in Maryland allows members to vote by phone at no more than three meetings per year.
- ❖ New York City Public Pension Fund allows voting by phone for matters that require a vote between board meetings. For votes taken at board meetings, the members must be present.
- ❖ New York City Comptroller (overseeing the New York State and Local Retirement System) allows members to vote by video conference, but not by telephone.

- ❖ Two boards in California (Tulare County, City of Los Angeles) require that the remote location is accessible to the public.

Next Steps

The SCPP may choose one of the following:

- ❖ Take no action.
- ❖ Enact one of the presented options.
- ❖ Request additional options, or modification of a presented option based on SCPP feedback.

If an option is approved by a majority vote of the SCPP (11 members, under SCPP Rule 5), staff will prepare a revised copy of the SCPP Rules for final approval by the SCPP and signature by the chair and vice chair.

Attachment

June 2010 survey of public pension funds as provided by National Association of Public Pension Attorneys (NAPPA).

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**Trustee Voting by Phone –
Survey Responses from NAPPA Public Pension Funds
Collected June 2010**

State	Fund	Vote by phone – YES	Vote by phone – NO	Notes
NV	Public Employees	X		
AL	City of Birmingham		X	
MO	Public School Ret. System	X		
DC	Retirement Board		X	
NY	NY City Public Pension Fund	X		Allow on matters that require voting between board meetings For board meetings must be present to vote
MO	St. Louis City Employees	X		
PA	City of Philadelphia	X		
KS	Wichita	X		Has never actually happened
NY	NY City Comptroller		X	But do allow vote by video conference
AL	Mobile City Police & Firefighters		X	
IL	Illinois Municipal Ret. Fund	X		
TX	Houston Firefighters		X	Possibly allowed by video feed
NM	New Mexico Educational Ret. Bd.	X		Only once in 12-month rolling period No more than two trustees at same meeting
CO	Colo. Fire & Police Pension Assn.	X		
CA	Orange County Employees	X		
ME	Maine PERS		X	
NH	New Hampshire Ret. System	X		
OR	State Retirement System	X		
WA	Wash. State Investment Bd.	X		

NC	Teachers', State Employees, Local Govt. Employees	X		
OH	Police & Fire Pension Fund		X	Do not allow participation by phone either
IL	Ill. State Bd. of Investments	X		
MN	Minneapolis Employees Ret. Fund	X		
State	Fund	Vote by phone – YES	Vote by phone – NO	Notes
CT	Hartford Ret. System	X		
ID	Idaho PERS	X		
IL	State Universities Ret. System	X		
NY	New York State TRS	X		
WV	W. Virginia Inv. Management Bd.	X		
MD	Montgomery County	X		No more than three meetings per year Must attend full meeting Can't dial in to vote on just one item
GA	Macon		X	
VT	Vermont Pension Inv. Committee	X		
CA	City of Los Angeles	X		Remote locations must be on meeting notice Must post agenda at all remote locations which must be accessible to public and persons with disabilities
CA	City of San Diego	X		Quorum must be within city limits (even if on phone)
CA	County of Tulare	X		With strict limitations: Must set up remote location ahead of time No calling in from car Remote location must be accessible to public Quorum must be within jurisdiction
VA	Virginia Ret. System	X		
PA	Public School Employees, Municipal Employees	X		

WI	State of Wis. Inv. Board	X		
KS	Kansas PERS	X		
IN	Indiana State Teachers	X		
NC	Charlotte Firefighters	X		Case-by-case basis on rare occasions
NC	Department of Justice	X		

Vote by Phone—Yes: 33

Vote by Phone—No: 8

Illinois Funds: IMRF, SURS, and ISBE all allow trustees to vote by phone