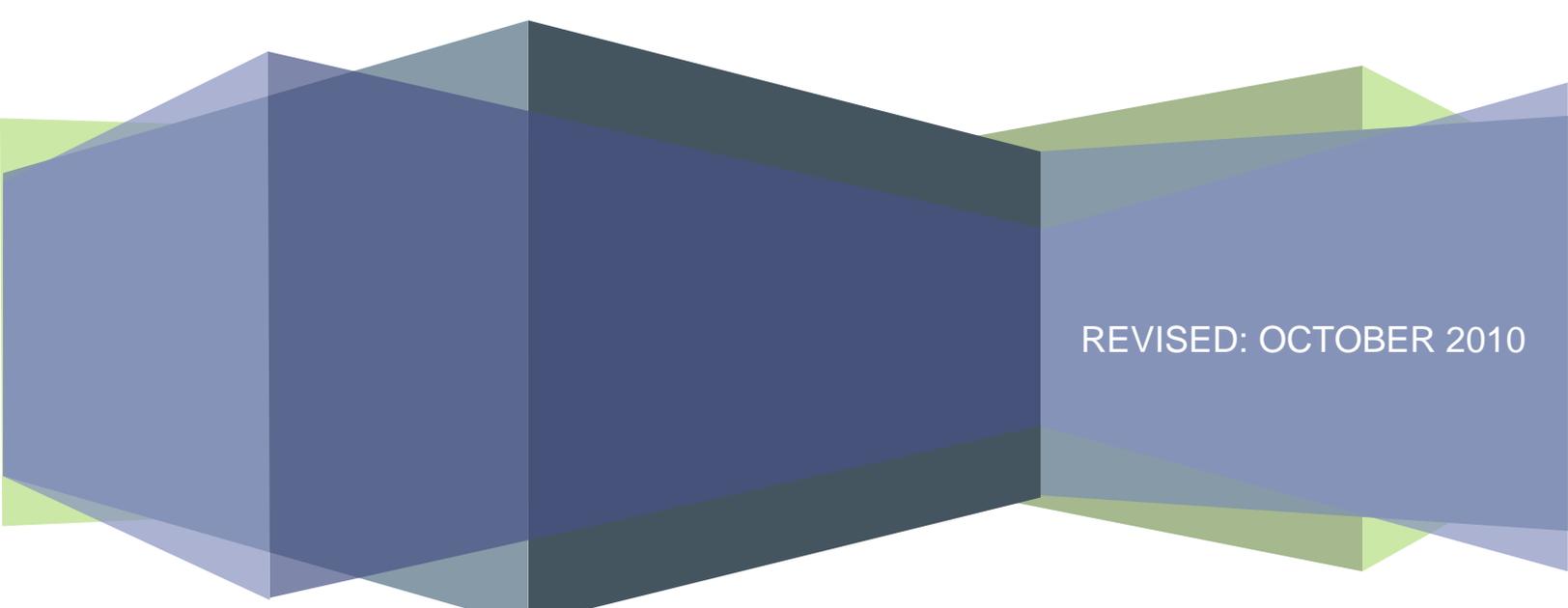


**THE LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD**

**STRATEGIC PLAN
2011 – 2015**



REVISED: OCTOBER 2010

CONTENTS

| | |
|--|---|
| Mission | 3 |
| Organizational Values..... | 3 |
| PRIORITY GOALS 2011 – 2015 | 4 |
| PRIMARY STRATEGIES..... | 5 |
| Goal One: Enhance the benefits for the members. | 5 |
| Objectives | 5 |
| Key Tactics | 5 |
| Goal Two: Provide the stakeholders with a voice in plan governance. | 5 |
| Objectives | 5 |
| Key Tactics | 5 |
| Goal Three: Maintain the financial integrity of the plan. | 6 |
| Objectives | 6 |
| Key Tactics | 6 |
| Goal Four: Inform the stakeholders. | 6 |
| Objectives | 6 |
| Tactics | 6 |
| PERFORMANCE MEASURES | 7 |
| 2010 – 2011 ACTIONS..... | 8 |

GUIDING PRINCIPLES

Who We Are

- Mission
- Organizational Values

PRIORITY GOALS

What We Want to Accomplish

- Major Tasks to be accomplished during the three to five years

PRIMARY STRATEGIES

How We Will Achieve The Goals

- Objectives
- Key Tactics
- Action Plans

PERFORMANCE MEASURES

How We Measure Success

- Measurements of performance success

ACTIONS

What We Will Do

- Specific actions to take during the next 12 – 18 months

GUIDING PRINCIPLES

Who We Are

Mission

- The mission of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board is to responsibly govern the pension plan for the benefit of the members.

Organizational Values

- We will treat those we serve and each other with respect, fairness, and honesty.
- We will communicate openly and professionally.
- We will foster a climate of innovation, integrity, accountability, and excellence.
- We will work with those we serve to meet their needs.

PRIORITY GOALS 2011 – 2015

What We Want to Accomplish

1. Enhance the benefits for the members.
2. Provide the stakeholders with a voice in plan governance.
3. Maintain the financial integrity of the plan.
4. Inform the stakeholders.

PRIMARY STRATEGIES

What We Will Do To Achieve Our Goals

Goal One: Enhance the benefits for the members.

Objectives

- Add benefits that are affordable for stakeholders
- Identify viable alternative revenue sources for benefit enhancements

Key Tactics

- Propose legislation that improves the plan for the stakeholders
- Compare plans from other states and relevant organizations
- Obtain stakeholder input for needed changes in the plan
- Research and monitor Federal pension and tax laws
- Monitor benefits for workers injured in the line of duty
- Assess, evaluate, modify or revise existing benefits

Goal Two: Provide the stakeholders with a voice in plan governance.

Objectives

- Enhance communication media for the stakeholders
- Maintain stakeholder confidence in the integrity of the plan

Key Tactics

- Provide opportunities for member communication/feedback
- Take a leadership role in making presentations to stakeholder groups
- Solicit information about stakeholder priorities and issues
- Make presentations at public hearings
- Maintain a wide range of communication media such as Web site, newsletter and e-mail
- Inform stakeholders about opportunities for communication/feedback

Goal Three: Maintain the financial integrity of the plan.

Objectives

- Maintain prudent financial policies
- Identify additional funding mechanisms
- Maintain the stability of contribution rates

Key Tactics

- Adopt adequate contribution rates
- Adopt financially sustainable budget for board operations
- Adopt economic assumptions, actuarial tables and cost methodologies
- Commission independent audits
- Research other options for revenue
- Identify best practices from other states and organizations
- Consult with strategic partners regarding rate stability
- Ensure the reliability of rate projections
- Provide information on the fiscal reality of the plan
- Promote Fiduciary Education

Goal Four: Inform the stakeholders.

Objectives

- Manage expectations
- Increase member understanding of the balance between desired enhancements and fiscal realities
- Increase member understanding of the benefits provided in LEOFF 2 Plan

Tactics

- Provide stakeholder access to understandable fiscal and policy analysis
- Provide additional DRS LEOFF 2 seminars and workshops throughout the state
- Develop simple and direct forms of communication to the members
- Provide comparison information to best practices in other states
- Provide the LEOFF Actuarial Valuation Report as a tool for members

PERFORMANCE MEASURES

How We Will Measure Our Success

| Goal | Method of Measurement | Target |
|-------|---|---|
| 4 | Seminars and workshops devoted to the priorities of the Board | Make a minimum of five presentations before stakeholders each year |
| 1 | Board proposals that are approved by the Legislature | 100% approval rate |
| 1 & 2 | Research supporting proposals | Every proposal includes a research component |
| 2 & 4 | Comprehensive communication program with targets and schedule | Web site Redesign by December 31, 2011 |
| 2 & 4 | Feedback from the membership | Perform a furlough survey. Including feedback from other states by December 31, 2011 |
| 2 & 3 | Independent audits: <ul style="list-style-type: none"> • Board expenses • Actuary's assumptions | Audit Targets <ul style="list-style-type: none"> • Board expenses—no findings • Actuary's assumptions—performed on timely basis |
| 3 | Deviation from the expected long-term cost of the plan | Maintain deviation within 10% of long-term cost |
| 3 | Current and appropriate funding policies | Review, revise and adopt funding policies for LEOFF Plan 2 by December 31, 2008 |
| 3 | Funded ratio under actuarial standards | At least 100% |
| 3 | Actual performance vs. projections in key planning areas | Actual expenditures will not exceed projected expenditures |
| 2 & 4 | Newsletter | Minimum of two per year |
| 2 & 4 | Web site | Provide a report on Web site activity quarterly |

2010 – 2011 ACTIONS

What We Will Do

| Action | Goal |
|---|-------|
| Study Health Care proposals | 1 |
| Adopt and maintain Contribution Rates | 3 |
| Legislative Agenda | |
| 1. Maintain Board adoptions of contribution rates and assumptions | 3 |
| 2. Law Enforcement Officers – Presumptive Medical | 1 |
| 3. Furloughs | 1 |
| 4. Purchase of Annuity | 1 |
| 5. Ombudsman | 1 |
| Alternate Revenue Source | 1 & 3 |
| Long Term Economic Assumption Adoption | 1 & 3 |
| Employer Survey | 2 & 4 |
| Web site Redesign | 2 & 4 |
| Annual Statement Improvements | 4 |
| OSA Risk Analysis Follow-Up | 3 |