

BOARD MEETING MINUTES

OCTOBER 24, 2012 – FINAL



1. TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
Absent	Mr. Jack Simington, Vice Chair – Kennewick Police Department
In Attendance	Mr. Ryan Martin – Vancouver Police Department
In Attendance	Mr. Jeff Holy – Spokane Police Department (Retired)
In Attendance	Mr. Mark Johnson – Vancouver Fire Department
In Attendance	Mr. Pat Hepler – Snohomish County Fire District 1
In Attendance	Mr. Paul Golnik – WA Fire Commissioners Association
In Attendance	Mr. Glenn Olson – Clark County
In Attendance	Mr. David Cline – City of Tukwila
In Attendance	Senator Jim Honeyford – WA State Senator
In Attendance	Representative Kevin Van De Wege – WA State Representative
In Attendance	Steve Nelsen – Executive Director
In Attendance	Jessica Burkhart – Executive Assistant
In Attendance	Tammy Harman – Administrative Services and Communications Manager
In Attendance	Tim Valencia – Senior Research and Policy Manager
In Attendance	Greg Deam – Senior Research and Policy Manager
In Attendance	Dawn Cortez – Assistant Attorney General

2. CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Jacob W. Smith House in Olympia, Washington on October 24, 2012. A quorum of the members was present at this meeting. The meeting was called to order at 9:00 AM.

OPENING REMARKS	Steve Nelsen, Executive Director introduced Tom Nugent as the meeting facilitator. Mr. Nugent and Director Nelsen reviewed the agenda, stressing the importance of staying on task and time while indicating the importance of addressing topics of common interest to the Board and how that will result in everyone working better together. Mr. Nugent pointed out the value of clarifying Board expectations and the impact to staff prioritization and presented the definition of a “Real Team” and staff’s commitment to being a “Real Team”.
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3. Approval of Minutes

MINUTES APPROVED	<i>It was moved to approve the Board meeting minutes from September 26, 2012. Motion seconded. The Board approved the minutes without objection.</i>
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4. Introductions

Mr. Nugent shared a favorite quote from Henry Ford regarding what success is. He then solicited real life experiences from the Board and staff members of instances when they had been involved in a successful team and why was it successful.

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5. Exercise – Prioritizing Board Topics

The Board was given an exercise to rank six different priorities that had been identified during member interviews. The goal was to place each priority into one of four quadrants (Q1 – Urgent & Important; Q2 – Not Urgent & Important; Q3 – Urgent & Not Important; Q4 – Not Urgent & Not Important)

1. Administrative Committee Roles and Responsibilities
2. Goals for Communication with Plan Members
3. Relationships with Stakeholder Groups & the Legislature
4. Trustee Education Methods
5. Monthly Meeting Format
6. Executive Director Roles & Responsibility

The Staff then took each of the Board member's individual responses and consolidated them into a single priority matrix. **The top four priorities were:**

1. Relationship with Stakeholder Groups & the Legislature
2. Goals for Communications with Plan Members
 - *This topic will be discussed at the November Board meeting*
3. Administrative Committee Roles and Responsibilities
 - *This topic will be discussed at the November Board meeting*
4. Trustee Education Methods

6. Work Groups Sessions – Clarify Priority Topics

The Board members completed clarification only on the first priority that was addressed.

- **Relationship with Stakeholder Groups & the Legislature:**
 - a. Judgment should be used within framework
 - b. Be responsive within resources available
 - c. Be as open as possible with stakeholder groups
 - d. Transparent – written statement of what is happening
 - e. Available to all stakeholders to articulate details
 - f. How are we getting information to the stakeholder groups?
 - g. How is information shared with committee members
 - h. Keep trustees informed – regardless of Board action
 - i. Ensure Board members have pertinent information prior to Board meetings
 - j. When one trustee gets something, all trustees get the same information
 - k. Board majority is to be supported

7. Lunch with Activity

During lunch, each Board and staff member were asked to learn something new about at least two other people.

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8. Responsibly Govern the Plan

Board looked at seven different expectations and clarified what they meant to each person.

- **Responsibly Govern the Plan**
 - a. Inform the public (misunderstood facts and figures and opinions)
 - b. Strategies of goals need to be addressed

The members were then shown the current goals from the strategic plan (1-Enhance the benefits of members, 2-Provide the stakeholders with a voice in plan governance, 3-Maintain financial integrity of the plan, 4-Inform the stakeholders). Follow-up will take place to review these goals.

9. Help Us Get Up to Speed ASAP – Keep Us Informed

The members and staff then went into break-out groups to review the next topic.

- **Help Us Get Up to Speed ASAP**

A common theme was new member orientation. The members discussed including the following:

 - a. One-on-one with OSA (what they do and what it means to us)
 - b. Strategic Plan and Goals including history (what, why, who, and how)
 - c. General history of pensions in Washington state
 - d. History of LEOFF 2 formation and specific legislation
 - e. Timelines (member to be a full participant in certain time frame)
 - f. Ethics training annually with the Assistant Attorney General
 - g. Public Records training annually with the Assistant Attorney General
 - h. Open Public Meetings Act training annually with the Assistant Attorney General
 - i. Fiduciary Training to include CAPPP courses and the NCPERS Annual conference
 - j. Balancing fiduciary responsibilities with legislative objectives
 - k. Get to know other Board members and staff timely

10. Support Our Policy Decisions

The entire group discussed the next topic.

- **Support Our Policy Decisions**
 - a. Objective testimony
 - b. Board decision rules
 - c. Handouts are appropriate as long as everyone gets one
 - d. Presentations to national conferences is appropriate

11. Educate the Plan Stakeholders

The members and staff then went into break-out groups to review the next topic.

- **Educate the Plan Stakeholders**
 - a. Impact of rate changes both up and down including the long-term impact
 - b. Health of the plan and what it means
 - c. Managing expectations in a changing environment
 - d. Public information management
 - e. Public included – Best defined benefit plan and solvency of LEOFF Plan 2

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- f. Benefit survey
- g. Members – Cost of improvements
- h. Legislature – A defined benefit plan is the best option for the state
- i. Future projections

12. Provide Professional Administrative Support

The members and staff continued in their break-out groups.

- **Provide Professional Administrative Support**
 - a. Conferencing calling (visual)
 - b. Electronic notebook(s) available for checkout
 - c. Availability
 - d. Proactive
 - e. Anticipating needs
 - f. Responsive (preparation, convenience)
 - g. Audit findings never negative

13. Assist Us in Making Responsible Decisions

The members and staff continued in their break-out groups.

- **Assist Us in Making Responsible Decisions**
 - a. Receive materials one week prior to meeting
 - b. Questions about agenda ahead of time
 - c. Trustee education
 - d. OSA/SIB/DRS presentations
 - e. Culture of open discussion
 - f. Decision process – three steps (Initial, Preliminary, and Final)
 - g. Pros and cons provided during staff presentations
 - h. Options provided during staff presentations

14. Closing Remarks and Baseline Ratings

Outside of the prepared topics, the Board discussed they also would like to receive information from the stakeholders groups in order to interact and learn their needs.

Director Nelsen and staff are committed to exploring the *Goals for Communications with Plan Members* at the November Board meeting.

Board members were given a Baseline Rating Sheet and a Meeting Survey to complete before their departure. The results of these forms will be shared at an upcoming meeting.

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Adjournment

There being no further business, the meeting was adjourned at 3:30 PM.

NEXT MEETING | The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for November 28, 2012 at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502.