

# BOARD MEETING MINUTES

## JULY 23, 2014 – AS CORRECTED 12/17/14



### TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
In Attendance	Mr. Jack Simington, Vice Chair – Kennewick Police Department
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Mr. Wally Loucks – Spokane County Sheriff’s Office
In Attendance	Mr. Mark Johnston – 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. David Cline – City of Tukwila
In Attendance	Senator Sharon Brown – WA State Senator
In Attendance	Representative Kevin Van De Wege – WA State Representative
In Attendance	Steve Nelsen – Executive Director
In Attendance	Tim Valencia – Deputy Director
In Attendance	Jessie Jackson, Executive Assistant
In Attendance	Jessica Burkhart – Administrative Services Manager
In Attendance	Tammy Harman – Death and Disability Ombudsman
In Attendance	Paul Neal, Senior Research and Policy Manager
In Attendance	Ryan Frost – Research Analyst
In Attendance	Brian Buchholz– Assistant Attorney General (substitute)

### Call to Order

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on July 23, 2014. A quorum of the members was present at this meeting.

Chair Kelly Fox called the meeting to order at 9:43am and requested those present to take a moment of silence to honor those who had fallen since the last the Board meeting and those impacted by the wildfires.

### 1. Approval of Minutes

Chair Kelly Fox called for a review of the June 2014 minutes.

Motion	It was moved to approve the Board meeting minutes from June 18, 2014. Motion seconded. The Board approved the minutes without objection.
--------	---

### 2. Funding Pension Plan Benefits

Robert Klausner, provided an educational briefing on funding public pension benefits.

### 3. Executive Session – Possible Litigation

The Board met for Executive Session to discuss potential litigation with the Assistant Attorney General.

# BOARD MEETING MINUTES

## JULY 23, 2014 – AS CORRECTED 12/17/14



### 4. Experience Study and Actuarial Valuation Update

Lisa Won with the Office of the State Actuary presented an update about changes to the most recent Experience Study. There were no changes to preliminary results.

### 5. Actuarial Audit Presentation

Mark Olleman & Daniel Wade, Consulting Actuaries at Milliman reviewed their actuarial audit findings. They found the overall data and processes currently being used by the State Actuary to be reasonable. However, they did recommend using a different methodology to calculate entry age, the implementation of changes to some assumption setting methods, and modifications to the valuation of other post-employment benefits.

### 6. Contribution Rate Adoption, Final Proposal

Ryan Frost, Research Analyst presented contribution rate policy options to Board.

Motion	It was moved to maintain the existing fixed contribution rate through June 30, 2017. The rates are as follows: 8.41% Member, 5.05% Employer, and 3.36% State. The motion was seconded and carried.
--------	--

Motion	It was moved to adjust contribution rates for the 2017-2019 biennium. The board will adopt a contribution rate of 100% of the new EANC (Entry Age Normal Cost method) including updated assumptions, based on the Preliminary Results of the <i>2013 Actuarial Valuation Report</i> . The rates are as follows: 8.85% Member, 5.31% Employer, and 3.54% State. The motion was seconded and carried.
--------	---

### 7. Administrative Update

Director Steve Nelsen provided an introduction for Jessie Jackson as the Board's new executive assistant, provided an SCPP update from their last meeting and discussed the staff's most recent outreach activities. Additionally, he reminded Board members to check their email regularly and to communicate any issues with staff.

### 8. Agenda Items for Future Meetings

Discussion took place on what items to discuss at future Board meetings and the Board asked staff to consider the schedule when adding items through the end of the year.

Motion	It was moved and seconded to cancel the August 27, 2014 Board meeting due to scheduling conflicts and all approved.
--------	---

Motion	It was moved and seconded to bring the Career Change issue back to the agenda to address hiring issues raised by small employers and all approved.
--------	--

# BOARD MEETING MINUTES

JULY 23, 2014 – AS CORRECTED 12/17/14



## 9. Electronic Voting in Novus

Kelly Fox asked for discussion of the pros and cons of electronic voting.

Motion | I was moved and seconded to discontinue electronic voting and return to voice voting and all approved.

## ADJOURNMENT

There being no further business, the meeting was adjourned at 1:05pm.

NEXT MEETING | September 24, 2014 at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502.