

# BOARD MEETING MINUTES

NOVEMBER 19, 2014 – FINAL



## TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
Teleconference	Mr. Jack Simington, Vice Chair – Kennewick Police Department
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
In Attendance	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
Absent	Senator Sharon Brown – WA State Senator
Absent	Representative Kevin Van De Wege – WA State Representative
In Attendance	Steve Nelsen – Executive Director
Absent	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	Dawn Cortez – Assistant Attorney General

## CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on November 19, 2014. A quorum of the members was present at this meeting.

**OPENING** | Chair Kelly Fox called the meeting to order at 9:36am, requesting those present to take a moment of silence to honor those who had fallen since the last the Board meeting.

## 1. APPROVAL OF SEPTEMBER AND OCTOBER MINUTES

SEPTEMBER MINUTES	It was moved to approve the Board meeting minutes from September 24, 2014. Motion seconded. The Board approved the minutes without objection.
OCTOBER MINUTES	It was moved to approve the Board meeting minutes from October 22, 2014. Motion seconded. The Board approved the minutes without objection.

## 2. SOCIAL SECURITY BRIDGE OPTION – Initial Consideration

Research Analyst, Ryan Frost, presented an overview for the Social Security Bridge Option which would allow retirees to take an increased retirement benefit from the LEOFF 2 Trust Fund until the member reaches the Social Security Full Retirement Age (SSFRA).

**MOTION** | It was moved that this issue be added to the 2015 interim work plan. Motion was seconded and carried.

# BOARD MEETING MINUTES

NOVEMBER 19, 2014 – FINAL



## 3. FINAL AVERAGE SALARY PROTECTION – Comprehensive Report

Research Analyst, Ryan Frost, provided a comprehensive report on the issue of Final Average Salary (FAS) protection. Members' retirement benefits will be reduced if "temporary salary reductions" after July 1, 2013 occur during their Final Average Salary (FAS) period.

MOTION | It was moved that the board take no further action on the issue at this time.  
The motion was seconded and carried.

## 4. CAREER EXTENSION – Comprehensive Follow-up Report

Senior Research and Policy Manager, Paul Neal provided a comprehensive follow-up presentation of options for amending the 2013 Career Change bill (HB 2479). These options would balance the policies of maintaining public confidence that LEOFF Plan 2 is well designed and professionally managed; and facilitating smaller jurisdictions' access to highly trained and experienced LEOFF Plan 2 retirees.

MOTION | It was moved to keep this issue on the 2015 interim work plan. Motion seconded and carried.

## 5. REMARRIAGE PROHIBITION – Comprehensive Report Follow-up

Death and Disability Ombudsman, Tammy Harman and Research Analyst, Ryan Frost provided a joint follow-up presentation on the policy inconsistency existing between Workers' Compensation benefits and retirement benefits for surviving spouses and remarriage. The Washington state administered retirement plans do not contain a prohibition on remarriage for a survivor receiving pension benefits. If a survivor remarries, their survivor pension benefits continue. However, Workers' Compensation benefits provided by the Department of Labor and Industries (LNI) to a survivor of a line of duty death can cease if the survivor remarries.

MOTION | It was moved that staff will provide updated information and a bill draft as a final proposal at the December Board meeting. The motion was seconded and carried unanimously.

## 6. ADMINISTRATIVE UPDATE

Executive Director, Steve Nelsen updated the board with outreach activities made by staff, a quarterly budget update and activity from the Select Committee Pension Policy meetings during the months of September, October and November.

## 7. REPORT ON DRS CONTRACT REVIEW

Following a series of articles highlighting questionable reemployment practices, the Department of Retirement Systems (DRS) reviewed local employer contracts for the services of retirees. Director Nelsen provided a report on the summary of their findings.

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NOVEMBER 19, 2014 – FINAL



## 8. FINAL ACTUARIAL VALUATION AND AUDIT REPORT

Executive Director, Steve Nelsen reviewed the 2013 Actuarial Valuation Report of the LEOFF Retirement System Plan 2 conducted by the Office of the State Actuary. An Actuarial Audit of June 30, 2013 Actuarial Valuation and a 2007-2012 Demographic Experience Study done by Milliman was also reviewed.

**ACTION** | Director Nelsen to explore further with OSA about the funding ratio method and what to consider long term as well as their availability to present at the December meeting.

## 9. ADOPTION OF 2015 MEETING DATES

Executive Director, Steve Nelsen reviewed the proposed board meeting dates for 2015.

**MOTION** | It was moved to adopt the proposed board meeting dates.  
Motion was seconded and carried unanimously.

## 10. AGENDA ITEMS FOR FUTURE MEETINGS

Executive Director, Steve Nelsen reviewed items for the December meeting including new items discussed to be added.

**AGENDA ITEMS FOR DECEMBER** |

- Staff to provide a final proposal of the Remarriage Prohibition issue for the December meeting
- Director Nelsen to inquire about availability of OSA for the December meeting

## ADJOURNMENT

There being no further business, the meeting was adjourned at 12:40pm.

**NEXT MEETING** | The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for December 17, 2014 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.