

BOARD MEETING MINUTES

APRIL 27, 2016 - FINAL



TRUSTEE AND STAFF ATTENDANCE

Teleconference	Mr. Kelly Fox, Chair – Olympia Fire District
In Attendance	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
In Attendance	Representative Kevin Van De Wege – WA State Representative
In Attendance	Senator Judy Warnick – WA State Senator
Absent	Councilmember Dave Upthegrove – King County Council District 5
Absent	Mr. Wally Loucks – Spokane County Sheriff’s Office
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
In Attendance	Mr. Paul Golnik – WA Fire Commissioners Association
In Attendance	Mr. David Cline – City of Tukwila
In Attendance	Mr. Michael White – Valley Regional Fire Authority
In Attendance	Steve Nelsen – Executive Director
In Attendance	Tim Valencia – Deputy Director
In Attendance	Jessie Jackson – Executive Assistant
Absent	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 and Policy Manager
In Attendance	Tor Jernudd – Assistant Attorney General

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on April 27, 2016. A quorum of the members was present at this meeting.

OPENING | Vice Chair, Jason Granneman called the meeting to order at 9:31AM and requested those present to take a moment of silence to honor those who had fallen since the last the Board meeting.

1. APPROVAL OF MINUTES

MINUTES APPROVED	It was moved to approve the Board meeting minutes from December 2015. Motion seconded. The Board approved the minutes without objection.
	It was moved to approve the Board meeting minutes from January 2016. Motion seconded. The Board approved the minutes without objection.
	It was moved to approve the Board meeting minutes from February 2016. Motion seconded. The Board approved the minutes without objection.
	It was moved to approve the Board meeting minutes from March 2016. Motion seconded. The Board approved the minutes without objection.

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2. LEGISLATIVE UPDATE

Senior Research and Policy Manager, Paul Neal, gave a final overview for the 2016 Legislative session.

BUDGET

The supplemental budget was signed by the Governor on April 18 - 2ESHB 2376.

- Board contribution rates remain unchanged
- Legislature re-inserted intent language contemplating funding future alternative revenue payments from LEOFF 2 trust fund. The Governor vetoed this again.

BOARD BILLS

The Board requested bills both passed.

Retiree Purchase of Annuity - SSB 6264

- LEOFF 1, LEOFF 2, and WSPRS retirees covered

Disaster Response Coverage - SB 6263

- Provides unreduced benefits to LEOFF Plan 2 members who are disabled or killed while providing federal natural disaster or emergency response service.

OTHER BILLS OF INTEREST PASSED

EMT Service Credit – SB 6523

- Authorized certain EMTs to purchase PERS service credit.

Expanding participation in State deferred compensation program - ESSB 5435

- Opt-out DCP participation for new state employees – enrolled unless they opt-out
- 3% rate of deferral unless other selected
- Local governments participating in state DCP may adopt opt-out feature
- DRS authorized to offer money-purchase plan

3. 2016 INTERIM PLANNING

Research and Policy Manager, Ryan Frost reviewed actuarial items, potential issue topics and administrative items with the Board for the planning of the 2016 interim.

ACTUARIAL ITEMS

- Contribution rate adoption
- LEOFF 2 valuation adoption
- Update on cost of benefit improvements
- Merger study
- Risk assessment study
- Administrative factors

POTENTIAL TOPICS

- DRS/SIB presentations
- Non-LEOFF Firefighters
- Standby pay as compensation earnable
- Presumptive medical

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| ADMINISTRATIVE TOPICS | <ul style="list-style-type: none">• Individual healthcare savings accounts• Social Security/Medicare Bridge• Workforce Retirement trends/statistics• LEOFF 2 comparison report |
| EDUCATIONAL BRIEFINGS | <ul style="list-style-type: none">• Financial audit (Sept meeting)• DRS rulemaking
• Retiree Return to Work• Volunteer Firefighter and Reserve Police officer plans |

4. ADMINISTRATIVE UPDATE

Steve Nelsen, Executive Director, gave his administrative update to the Board.

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| INTRODUCTION | Director Nelsen introduced Tor Jernudd as the new Assistant Attorney General for the Board. |
| QUARTERLY BUDGET UPDATE | A Quarterly Financial Status Report was included in meeting materials and Executive Director, Steve Nelsen, gave a high level budget update. |
| PENSION FUNDING COUNCIL UPDATE | The PFC workgroup had their first meeting of the year last week. |

5. RETIREE RETURN TO WORK

Senior Research and Policy Manager, Paul Neal presented an overview of the current post-retirement employment rules for the LEOFF Plan 2, WSPRS, TRS, SERS PERS, and PSERS.

6. Agenda Items for Future Meetings

Steve Nelsen, Executive Director reviewed items for the next board meeting.

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| MAY MEETING | The Office of the State Actuary will present on the Contribution Rate Adoption Process at the May meeting. |
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ADJOURNMENT

There being no further business, the meeting was adjourned at 12:18PM.

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| NEXT MEETING | The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for May 25 th , 2016 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502. |
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