

# BOARD MEETING MINUTES

JUNE 22, 2016 - FINAL



## TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
Absent	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
Absent	Mr. David Cline – City of Tukwila
In Attendance	Mr. Michael White – Valley Regional Fire Authority

## CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on June 22, 2016. A quorum of the members was present at this meeting.

OPENING	Chair Kelly Fox called the meeting to order at 9:32AM and requested those present to take a moment of silence to honor those who had fallen since the last the Board meeting.
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## 1. APPROVAL OF MINUTES

MOTION	It was moved to approve the Board meeting minutes from May 25, 2016. Motion seconded. The Board approved the minutes without objection.
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## 2. ACTUARIAL VALUATION AUDIT

Mark Olleman and Daniel Wade, Consulting Actuaries at Milliman, gave a preliminary report on the Actuarial Valuation and provided a status update to the Board. They will return at the July 27<sup>th</sup> meeting to present on the final Audit results.

## 3. LEOFF 2 PRELIMINARY ACTUARIAL VALUATION RESULTS

Lisa Won, Deputy State Actuary at the Office of the State Actuary, gave a presentation on the actuarial valuation report, providing the 2015 preliminary valuation results to the Board.

## 4. CONTRIBUTION RATE PREVIEW

Ryan Frost, Research and Policy Manager gave an educational briefing on the statutory duty to set rates and reviewed the options that the Board could choose at the July meeting.

## 5. PUBLIC PENSION ADMINISTRATION BENCHMARKING ANALYSIS

Mike Heale, Principal at CEM Benchmarking, and Mark Feldhausen, Budget and Performance Management Director at the Department of Retirement Systems, gave a presentation on the 2015 fiscal year data for their Public Pension Administration Benchmarking Analysis.

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## 6. VOLUNTEER FIRE FIGHTERS AND RESERVE OFFICERS BRIEFING

Brigette Smith, Executive Secretary at the Board for Volunteer Fire Fighters, gave an informational presentation on the Board for Volunteer Fire Fighters and Reserve Officers agency.

## 7. ADMINISTRATIVE UPDATE

Steve Nelsen, Executive Director, gave an administrative update to the board.

### SELECT COMMITTEE ON PENSION POLICY

The June 21<sup>st</sup> SCPP meeting had the topic of a merger study work plan on their agenda. A follow up presentation is to occur in September. The LEOFF 2 Board will present at their October meeting regarding the preliminary results of the work the Board has done this interim. The SCPP plans to present their final report at their December meeting which will include reports from the LEOFF 2 Board, DRS and OSA. Public round tables are being planned, giving LEOFF 1 members a forum to ask questions and discuss merger. Staff will share the dates for these round tables as soon as they are conveyed.

### PENSION FUNDING COUNCIL

The Pension Funding Council met on June 15<sup>th</sup>. The PFC and L2B coordinate the audit of the Actuarial Valuation that is done by the Office of the State Actuary. The audit is done by Milliman.

### OUTREACH ACTIVITIES

The WACOPS Spring general membership meeting took place on May 25-27. Staff had an outreach table at the event and Director Nelsen presented on the previous year and the current interim. The WSCFF Conference is next week. Staff will have a table at the event and no presentations scheduled. In July the Stand With Those Who Serve event takes place and staff will have an outreach table to provide information on Ombudsman services.

## 8. PLAN MERGER – EDUCATIONAL BRIEFING

Steve Nelsen, Executive Director, gave an educational presentation to the board on the general principles of mergers. Background, history, and the purpose of mergers were discussed. This presentation was not specific to any proposals. Another presentation on merger is scheduled for the July 27<sup>th</sup> meeting.

## 9. DRAFT MERGER STUDY WORK PLAN

Steve Nelsen, Executive Director presented the Draft Merger Study Work Plan to the Board at the May meeting. The Select Committee on Pension Policy will be holding round table sessions and staff will attend these. Results from these round tables will be incorporated into the merger study.

### MOTION

A motion was made at the May meeting to draft language to obtain legal and actuarial analysis. The motion was tabled at the May meeting. It would require action by the Board today to take the motion off the table. No action was taken.

### MOTION

A motion was made to approve the Draft Study Work Plan. Motion was seconded. Motion was passed without objection.

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## 10. PUBLIC TESTIMONY

Time was allotted for stakeholders to provide testimony on the subject of merger. The Board was addressed by the following:

Dick Warbrouck President of the Retired Fire Fighters of Washington  
Jerry Taylor, President of Retired Seattle Police Officers Association  
Jim Fossos, Vice President of the Retired Fire Fighters of Washington  
Dave Peery, Secretary of the LEOFF 1 Coalition  
Andy Wilson, President of the LEOFF 1 Coalition

## 11. RETIREE RETURN TO WORK – INITIAL CONSIDERATION

Paul Neal, Senior Research and Policy Manager, presented an overview of the Retiree Return to Work issue. This topic has been previously discussed by the Board in 2014 and 2015.

MOTION | A motion was made that no further action be taken this interim. Motion was seconded. Motion was carried.

## 12. DRAFT INTERIM WORK PLAN

Steve Nelsen, Executive Director reviewed the proposed work plan for the interim with the Board.

MOTION | A motion was made to move the issues of Presumptive Medical and Compensation Earnable to the September meeting. The motion was seconded. Motion carried.

## ADJOURNMENT

There being no further business, the meeting was adjourned at 1:57PM.

NEXT MEETING | The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for July 27, 2016 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.