

BOARD MEETING MINUTES

FINAL - DECEMBER 17, 2014



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)
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
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
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 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 December 17, 2014. A quorum of the members was present at this meeting.

OPENING | Vice Chair, Jack Simington called the meeting to order at 9:37am 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 November 17, 2014. Motion seconded. The Board approved the minutes without objection.

MINUTES APPROVED | Staff discovered a correction to the minutes for the July 23, 2014 board meeting. It was moved to approve the corrected minutes and the motion was seconded. The Board approved the minutes without objection.

2. FUNDING POLICY DISCUSSION

Senior Actuary, Lisa Won, provided a follow-up presentation on funding ratio corridors to the board, as requested by during the November meeting. This educational briefing provided background on the current funding policy, actuarial valuation and audit results, expected future contribution rates and funded status ratios

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were reviewed. Ms. Won reviewed considerations to the funding policy and possible new funding policy options were discussed along with their pros and cons.

3. REMARRIAGE PROHIBITION

Research Analyst, Ryan Frost, presented the final proposal to the board on the Remarriage Prohibition issue with two options for the board to consider.

MOTION

It was moved to pursue Legislation on the issue, with included Bill Language. The motion was seconded and carried without objection.

4. PLAN DESIGN OUTCOMES

Senior Research and Policy Manager, Paul Neal and Research Analyst, Ryan Frost provided an educational briefing on plan design outcomes, reviewing current research that compares outcomes between defined benefits and defined contribution plans.

5. REVIEW OF BENEFIT IMPROVEMENT STUDIES

In 2005-2006 the LEOFF Plan 2 Retirement Board studied a number of benefit improvements that the membership was most interested in and determined the costs of those improvements. During the October 22, 2014 meeting the Board requested a review of these earlier benefit improvement studies.

Executive Director, Steve Nelsen presented an overview of this study, providing a look at the most frequently requested benefit improvements and their costs as determined at the time of study. The board requested that staff provide further research on updated costs for the issues of: Multiplier, Final Average Salary and Survivor Benefits.

6. ADMINISTRATIVE UPDATE

Select Committee on Pension Policy

Executive Director, Steve Nelsen provided an update to the board on the December 16th SCPP meeting. They have decided to move forward with legislature on annuity for WSPRS.

Outreach Activities

Director Nelsen attended the WSCFF Executive board meeting on December 8, 2014. Deputy Director, Tim Valencia, attended and provided outreach at the Association of WA Counties' 2014 Annual Conference, November 18-20th.

2015 Meetings During Legislative Session

During legislative session board meetings will be held electronically, using technology to provide video and teleconferencing flexibility for board members. Public meetings will still occur in the WSIB Boardroom location.

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Director Nelsen discussed that the next demographic study will occur on a non-rate setting year. No statute is required for this change.

MOTION | It was moved that Director Nelsen provide outreach to legislators during session and interim regarding LEOFF Plan 2. The motion was seconded and carried without objection.

7. BOARD GOVERNANCE/EVALUATION

Deputy Director, Tim Valencia, presented an overview of board self-evaluation as a best practice for governance, as well as plans for a 2015 board self-evaluation. Deputy Valencia asked for direction from the board regarding additional criteria being added to the upcoming evaluation. Possible additions discussed included a peer evaluation, an evaluation on the Executive Director, a 360' evaluation with stakeholders, an external governance review and individual board meeting evaluations.

Feedback provided from board members reflected interest in moving forward with an external governance review, and the possibility of additional criteria to be evaluated in individual assessments.

8. AGENDA ITEMS FOR FUTURE MEETINGS

Director Nelsen reviewed upcoming board meetings dates in 2015. During legislative session meetings will be held electronically. A legislative update will be provided at the January 28th meeting by Director Nelsen.

Chair Fox discussed the NCPERS Life Plan, a supplementary survivor's benefit and life insurance program, sponsored by NCPERS and provided through Prudential Life Insurance Company.

MOTION | Chair Fox asked the Board for approval to offer LEOFF Plan 2 members the NCPERS Life Plan. The motion was seconded and carried without objection.
Staff will work with NCPERS on implementing the program.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:13PM.

NEXT MEETING | The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for January 28th, 2015 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW, Olympia, WA 98502.