

BOARD MEETING AGENDA

JANUARY 22, 2020 • 9:30AM



LOCATION

STATE INVESTMENT BOARD
Large Conference Room, STE 100
2100 Evergreen Park Drive S.W.
Olympia, WA 98502

TRUSTEES

DENNIS LAWSON, CHAIR
Central Pierce Fire and Rescue

JASON GRANNEMAN, VICE CHAIR
Clark County Sheriff's Office

ADE' ARIWOOLA
City of Federal Way

MARK JOHNSTON
Vancouver Fire Department

AJ JOHNSON
Snohomish County Fire

SENATOR JEFF HOLY
Spokane Police Department (Ret)

TARINA ROSE-WATSON
Spokane Int'l Airport Police Dept

PAT MCELLIGOTT
Pierce County Fire and Rescue

REPRESENTATIVE STEVE BERGQUIST
WA State Representative

WOLF OPITZ
Pierce County

STAFF

Steve Nelsen, Executive Director
Tim Valencia, Deputy Director
Jessie Jackson, Executive Assistant
Jessica Burkhart, Administrative Services Manager
Jacob White, Senior Research and Policy Manager
Karen Durant, Senior Research and Policy Manager
Tammy Harman, Benefits Ombudsman
Tor Jernudd, Assistant Attorney General

**THEY KEEP US SAFE,
WE KEEP THEM SECURE.**

1. Legislative Update

9:30 AM

- Survivor Option Reelection
- Month of Death Payment
- Definition of Period of War

2. Administrative Update

10:00 AM

- Agency Move
- Budget Update
- Outreach Activities

**Lunch is served as an integral part of the meeting.*

In accordance with RCW 42.30.110, the Board may call an Executive Session for the purpose of deliberating such matters as provided by law. Final actions contemplated by the Board in Executive Session will be taken in open session. The Board may elect to take action on any item appearing on this agenda.



Board Meeting

January 22, 2020

Legislative Update

LEOFF 2 Bills

- Survivor Option Reelection (HB 2678 | SB 6417)
- Month of Death Payment (HB 1414 | SB 5335)
- Definition of Period of War (HB 2655 | SB 6418)

Other Bills of Interest

- None at this time

Administrative Update

Agency Move

Budget Update

Outreach Activities

- **WSCFF Legislative Conference (Feb 4-5)**
- **WACOPS Winter Meeting (Feb 10-12)**

Next Meeting

Wednesday, February 26 at 9:30 AM



2020 Legislative Update

Interruptive Military Service Credit - HB 2665 / SB 6418

There was a period of time from 1971-1994 that some law enforcement officers and firefighters were not reported in any pension plan. The Legislature fixed this gap in 1994 and put these members in PERS but by that time, these members owed 17 years or more of back pension contributions. Given the unusually large expected payment and the fact that these employees had already worked at least 17 years, it may have been difficult to finish repaying before they stopped working.

When a member is unable to finish paying before they separate employment, they are supposed to be informed by DRS that they can still complete payment by taking a deduction in their pension.

The LEOFF 2 Board became aware of at least one member who was unable to repay everything he owed before he stopped working in 1999 after a duty-related patrol car crash and was not informed by DRS about his repayment option. DRS only gave this officer the option to withdraw, so he now has no pension after 22 years of service.

This LEOFF 2 Board bill provides this officer with the pension from LEOFF Plan 2. There is no additional cost to the member's former employer since they have already paid 19 years of contributions. The officer will pay back his contributions owed and the contributions he withdrew through taking an actuarial reduction in his benefit.

SURVIVOR OPTION REELCTION – HB 2678 / SB 6417

Under current law, written consent is required for any married member who does not elect a survivorship benefit, names someone other than a spouse as their survivor beneficiary, or elects a benefit that is not the Joint and 50 Percent Option.

This LEOFF 2 Board bill would permit The Department of Retirement Systems (DRS) to require written consent only when a member provides a benefit less than the Joint and 50 Percent Option, or names someone other than their spouse as their survivor beneficiary.

MONTH OF DEATH – HB 1414 / SB 5335

In the month a retiree passes away, the benefit payment is prorated based on the number of days the person was alive in the month. If the retiree had already received their pension, the Department of Retirement Systems must collect the partial overpayment from the retiree's beneficiary or estate.

This LEOFF 2 Board and Select Committee on Pension Policy bill provides a retiree's beneficiary or estate a full month's benefit for the month a retiree or survivor passes away.

Law Enforcement Officers' & Fire Fighters Plan 2 Retirement Board

2019-2021 Budget Report



Fiscal Year 2020
(July 2019 - June 2020)

Fiscal Month 06

Expense Category	Budgeted	Actual Year-to-Date (Dec. 2019)	Variance Year-to Date (Dec. 2019)	Projected Year-End Total	Projected Year-End Variance
Salary & Wages	\$780,136	\$385,922	4,146	\$775,632	4,504
Employee Benefits & Taxes	\$242,410	\$125,783	(4,578)	\$246,141	(3,731)
State Actuary Services	\$109,658	\$58,185	(3,356)	\$116,370	(6,712)
Rent	\$45,954	\$22,977	0	\$45,957	(3)
DES Services	\$50,203	\$28,823	(3,722)	\$55,732	(5,529)
Staff & Trustee Development	\$95,660	\$48,959	(1,129)	\$92,628	3,032
Communication Costs	\$30,500	\$16,433	(1,183)	\$32,073	(1,573)
Contracts	\$63,000	\$2,362	29,138	\$15,362	47,638
Other Operating Expenses	\$60,572	\$27,664	2,622	\$56,360	4,212
Fiscal Year 2020 TOTALS	\$1,478,093	\$717,108	21,938	\$1,436,255	41,838

Fiscal Year 2021
(July 2020 - June 2021)

Fiscal Month 0

Expense Category	Budgeted	Actual Year-to-Date	Variance Year-to Date	Projected Year-End Total	Projected Year-End Variance
		-	-		
Salary & Wages	\$808,750	\$0	0	\$808,750	0
Employee Benefits & Taxes	\$253,248	\$0	0	\$250,032	3,216
State Actuary Services	\$109,658	\$0	0	\$116,370	(6,712)
Rent	\$45,954	\$0	0	\$45,954	0
DES Services	\$51,543	\$0	0	\$56,242	(4,699)
Staff & Trustee Development	\$102,322	\$0	0	\$102,322	0
Communication Costs	\$30,500	\$0	0	\$30,500	0
Contracts	\$38,000	\$0	0	\$38,000	0
Other Operating Expenses	\$56,014	\$0	0	\$56,254	(240)
Fiscal Year 2021 TOTALS	\$1,495,989	\$0	0	\$1,504,424	(8,435)

Biennium 2019 - 2021
(July 2019 - June 2021)

Expense Category	Budgeted	Actual Biennium-to-Date	Variance Biennium-to-Date	Projected Biennial Total	Projected Biennial Variance
Salary & Wages	\$1,588,886	\$385,922	4,146	\$1,584,382	4,504
Employee Benefits & Taxes	\$495,658	\$125,783	(4,578)	\$496,173	(515)
State Actuary Services	\$219,316	\$58,185	(3,356)	\$232,740	(13,424)
Rent	\$91,908	\$22,977	0	\$91,911	(3)
DES Services	\$101,746	\$28,823	(3,722)	\$111,974	(10,228)
Staff & Trustee Development	\$197,982	\$48,959	(1,129)	\$194,950	3,032
Communication Costs	\$61,000	\$16,433	(1,183)	\$62,573	(1,573)
Contracts	\$101,000	\$2,362	29,138	\$53,362	47,638
Other Operating Expenses	\$116,586	\$27,664	2,622	\$112,614	3,972
Biennium 19-21 TOTALS	\$2,974,082	\$717,108	21,938	\$2,940,679	33,403