

BOARD MEETING MINUTES

FEBRUARY 27, 2019 – FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Dennis Lawson, Chair – Central Pierce Fire and Rescue
Teleconference	Jason Granneman, Vice Chair – Clark County Sheriff’s Office
Teleconference	Adé Ariwoola – City of Federal Way
Teleconference	Mark Johnston – Vancouver Fire Department
Absent	AJ Johnson – Snohomish County Fire District #1
Absent	Representative Jeff Holy – Spokane Police Department (Retired)
Teleconference	Tarina Rose-Watson – Spokane Int’l Airport Police Dept
Absent	Dwight Dively – King County
In Attendance	Pat McElligott – Pierce County Fire and Rescue
Absent	Senator Judy Warnick – WA State Senator
Absent	Representative Steve Bergquist – WA State Representative
In Attendance	Steve Nelsen – Executive Director
In Attendance	Tim Valencia – Deputy Director
In Attendance	Jessie Jackson – Executive Assistant
In Attendance	Jessica Burkhart – Administrative Services Manager
In Attendance	Tammy Harman – Benefits Ombudsman
In Attendance	Jacob White – Senior Research and Policy Manager
In Attendance	Ryan Frost – Senior 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 February 27, 2019. A quorum of the members was present at this meeting.

Chair Dennis Lawson 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. Montana Fire Fighter Jason Baker passed away from lung cancer.

1. LEGISLATIVE UPDATE

Director Nelsen reviewed the following bills and their status.

LEOFF 2 Endorsed Bills:

HB 1297 | SB 5355 LEOFF/PERS Eligibility Gap – Has moved out of committee in the Senate in advance of the Fiscal Committee cutoff

HB 1408 | SB 5661 Spousal Consent Requirement - Has moved out of committee in the Senate

HB 1414 | SSB 5335 Month of Death Payment – Has not moved out of committee in the House nor the Senate. It is likely to fail to meet cutoff this week and is not scheduled for Exec.

Other Bills Of Interest:

HB 1909 | SSB 5844 Confidentiality of Insurance Claim Records – This bill is moving forward

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HB 1913| SB 5849 Presumption of Occupational Disease for Purposes of Worker’s Compensation – This bill is moving forward

Benefit Improvement Account –

The 2019 payment of \$25 million is in the Governor’s Operating Budget. The past due payment from 2017 is not included in the Operating or Supplemental Budgets.

Budget Bills:

- Supplemental Budget – HB 1108 | SB 5154
- Operating Budget – HB 1109 | SB 5153

The Select Committee on Pension Policy they discussed the issue of the “Dolan Fix Bill” at their December meeting. This bill would allow a contribution rate increase to be charged to employers when an employer fails to report members for a long period of time. They have to do a retroactive correction and the extent of the correction is such that the cost would increase rates for the plan. The bill would say that in the future the employer would bear the full actuarial cost of this type of fix. The SCPP bill was clear that the rate increase would be adopted by the LEOFF 2 Board for LEOFF 2, adopted by the Pension Funding Council for all the other plans. The House bill was introduced yesterday and has a hearing this afternoon. This bill has all the rates being adopted by the Pension Funding Council.

Director Nelsen explained that the Board will need to let House Appropriations legislators and staff know that the appropriate party for adopting any LEOFF 2 rates would be the LEOFF 2 Board and not the Pension Funding Council.

MOTION It was moved to authorize the Executive Director to testify on the Board’s behalf that any deliberations or adoption of a LEOFF 2 rate increase would need to be done by the LEOFF 2 Board and not the Pension Funding Council. Motion was seconded. Motion carried unanimously.

2. ADMINISTRATIVE UPDATE

Director Nelsen reviewed the following outreach activities since the last board meeting where he spoke on the Board’s proposals and the Benefit Improvement Account:

- WACOPS Winter Meeting (January 23-25)
- WSCFF Legislative Conference (January 29-31)

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:54AM.

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for March 27, 2019 at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502.