



STATE OF WASHINGTON

**LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD**

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REGULAR BOARD MEETING

March 24, 2004

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board met in the Boardroom of the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington on March 24, 2004.

Board Members Present:

Ted Campbell
Kelly Fox, Chair
Pat Hepler
Mark Johnston
Dave Moseley
Senator Linda Evans Parlette
Jack Simington, Vice Chair
Representative Geoff Simpson

Board Members Not Present:

Doug Cochran
Michael Edwards
Maureen Morris

Kelly Fox, Chair, called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:15 a.m.

(1) December 17, 2003 Board Meeting Minutes

The Board discussed the recording of individual board member votes on each motion. Minutes will reflect if the vote on each motion is unanimous or will note the voting status of each member.

*It was moved that the December 17, 2003 Board meeting minutes be amended to reflect the unanimous voting status of each motion and adopted as amended.
Seconded.*

MOTION CARRIED UNANIMOUSLY

(2) Summary of 2004 Legislative Session

Steve Nelsen, Interim Executive Director gave an overview of bills recommended by the LEOFF Plan 2 Retirement Board to the Legislature for the 2004 Legislative Session. The Governor has signed all bills recommended by the Board. Mr. Nelsen also provided a

summary of other legislation of interest to the Board that passed during the 2004 Legislative Session.

Bill discussion included:

- A. HB 2418 - Duty-Related Disability Benefits (Board recommended)
- B. HB 2419 - Duty-Related Survivor Benefits (Board recommended)
- C. SB 6249 - Actuarial Asset Smoothing Corridor (Board recommended)
- D. HB 2535 – PERS/SERS Plan 2 and 3 Service Credit Purchase (Possible future legislation to include LEOFF Plan 2)

It was moved that staff research and bring back more information and background on HB 2535 (PERS/SERS Plan 2 and 3 Service Credit Purchase) for potential LEOFF Plan 2 inclusion to the April 28, 2004 Board meeting. Seconded.

MOTION CARRIED UNANIMOUSLY

Administrative Update

- A. **Office Space Plan** – Mr. Nelsen provided report on the status of the agency’s office space acquisition plan. The lease has been signed to secure just under 2,000 sq. ft. at 2100 Evergreen Park Drive S.W., in Olympia, Washington 98502. The agency will be located in the same building as the Washington State Investment Board and the Office of the State Actuary. The anticipated move date is between April 23, 2004 and May 7, 2004.
- B. **Staff Model** – Mr. Nelsen Reviewed the “Proposed Staff Model” handout with the Board.

The motion was made to move forward with the recruitment and hiring of the Administrative Services Manager and one Research Analyst, leaving the Deputy Director and another Research Analyst position for further discussion at the April 28, 2004 Board meeting. Seconded.

MOTION CARRIED UNANIMOUSLY

Mr. Nelsen went on to report that the agency will not hire additional staff until the move to the new facility is complete, due to current space constraints.

- C. **Budget Status Report** – Mr. Nelsen discussed the “Draft Budget Proposal” handout which provided an update on the agency’s current funding status vs. original budget allotments, additional estimated one-time costs, an estimate for the remainder of 2004 and a high-level budget estimate for 2005.

The following people had public comment:

Charles Love - King County Sheriff’s Office

The motion was made to approve the budget proposal, leaving the 2005 budget consideration and approval for a future Board meeting. Seconded.

MOTION CARRIED UNANIMOUSLY

(4) 2005-2007 Budget Planning

A. Strategic Planning – The Board must include a strategic plan with the 2005-07 Budget submittal. The suggestion was made to coordinate an outreach to LEOFF Plan 2 members to determine member expectations for the Board, and use the results as a basis for strategic planning.

B. *It was moved that staff bring back options for LEOFF Plan 2 membership outreach to the April Board meeting for discussion and consideration. Seconded.*

MOTION CARRIED UNANIMOUSLY

B. Performance Measures – In addition to a strategic plan, the Board must also include performance measures with the 2005-07 Budget submittal. Mr. Nelsen suggested including this as part of the strategic planning process.

It was moved that a letter be sent to the Office of Financial Management explaining the reasons behind a delay in the Board’s Strategic Plan and Performance Measures submittal.

MOTION CARRIED UNANIMOUSLY

(5) Fiduciary Training for Board Members

Mr. Nelsen provided an overview of the “*Draft Trustee Education Policy*” handout.

It was moved that the “Draft Trustee Education Policy” be amended to include meetings of the State Investment Board as pre-approved and adopted as amended. Seconded.

MOTION CARRIED UNANIMOUSLY

(6) Administrative Update

Kelly Fox, Chair, provided an update on the Executive Director recruitment process. He will be coordinating with Patty McGuire at the Department of Personnel to discuss recruitment options. This subject will be placed on the agenda next month for possible Executive Action.

(7) Department of Retirement Systems Presentation

John Charles, Director of the Washington State Department of Retirement Systems, gave a presentation on LEOFF Plan 2 benefits administration.

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for April 28, 2004 from 9:00 a.m. – 3:00 p.m. at the Washington State Investment Board located at 2100 Evergreen Park Drive SW, Olympia, Washington 98502.

The meeting adjourned at 1:30 p.m.