



STATE OF WASHINGTON

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

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REGULAR BOARD MEETING
March 24, 2010

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, 2010.

Board Members Present:

Kelly Fox, Chair
Jack Simington, Vice Chair
Greg Cuoio
Pat Hepler
Jeff Holy
Mark Johnston
Ryan Martin

Staff Present:

Steve Nelsen, Executive Director
Shawn Merchant, Deputy Director
Jessica Burkhart, Executive Assistant
Yashonda Wilson, Senior Office Assistant
Tim Valencia, Senior Research and Policy Manager
Greg Deam, Senior Research and Policy Manager
Chad Standifer, Assistant Attorney General

Guests

Lisa Won, Associate Pension Actuary

Board Members Not Present

Darla Hartley
Glenn Olson
Representative Geoff Simpson

Kelly Fox, Chair, called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:37 a.m. The members took a moment of silence to honor Pierce County Deputy Kent Mundell, Grant County Deputy John Bernard, and Federal Way police officer Brian Walsh all died in the line of duty since the last time the Board met.

Director Nelsen introduced Chad Standifer as the new Assistant Attorney General for the LEOFF Plan 2 Retirement Board. Mr. Standifer brings a wealth of knowledge and is eager to begin pension related projects.

1) December 16, 2009 Board Meeting Minutes

It was moved that the December 16, 2009 Board meeting minutes be adopted as presented. Seconded.

MOTION CARRIED UNANIMOUSLY

2) Rate Setting Overview – Lisa Won, Associate Pension Actuary

- **Supplemental Rate**
- **2011-2013 Base Rate**

Lisa Won presented an overview of *Contribution Rate Setting*. Ms. Won covered the basic and supplemental contribution rates, the schedule for rate adoption, and the coordination that takes place with the Pension Funding Council.

Ms. Won noted that Supplemental and Basic Contribution Rates must be adopted by July 31, 2010.

3) Legislative Update

Tim Valencia and Greg Deam provided a *2010 Legislative Update*. They reviewed the following LEOFF 2 bills with their status:

Duty Related Death Benefits (EHB 2519) - *Passed*
Catastrophic Disability Medical Insurance (SHB 1679) – *Passed*
Service Credit for Shared Leave (SB 6453) – *Passed*

Other bills of interest were discussed such as:

2010 Supplemental operating Appropriations (ESHB 2921) – *Passed*
State Government Compensation (SSB 6382) – *Passed*
Suspending Monetary Awards (SHB 2998) – *Passed*
Furlough (ESSB 6503) – *Status Pending*

4) Administrative Update

Select Committee on Pension Policy (SCPP) Update

Executive Director Nelsen updated the Board on the latest SCPP meeting. He noted that the SCPP will only be having 6 meetings this year and the next meeting will not be until June.

Department of Retirement Systems (DRS) Update

Director Nelsen reported the latest activities taking place at DRS. They are continuing to transfer the Fish and Wildlife Enforcement Officers service credit into LEOFF 2 as members pay.

DRS is currently working on a system change for duty disability conversion. This change is expected to be completed by the end of March.

DRS is also in the process of completing the communication plan to notify members of the rights of domestic partners due to HB 1616. There will be an update to the LEOFF online publication towards the end of March.

Newsletter Update

Director Nelsen noted that LEOFF staff would be coordinating with DRS to combine the next edition of Dual Response with the members Annual Statement.

Budget Update

A formal budget update was not given, however the Director noted that the budget is on track. He explained the legislation passed that has impacted the LEOFF agency such as a hiring and salary freeze.

Fiduciary Education/Travel

Director Nelsen informed the members they are still able to attend educational conferences. An updated Approved Fiduciary Education form will be sent to the Board.

5) Payment of Medical Expenses – Preliminary Report

Tim Valencia provided a Preliminary Report on *Payment of Medical Expenses*. Mr. Valencia explained that the current situation of survivors of LEOFF 2 killed in the course of employment and currently how health premiums are paid. He stated that there is a need to develop coordinated payment and accounting procedures to meet federal requirements. This will be done with a coordination from the LEOFF 2 Board, Office of the State Actuary, the Department of Retirement Systems, and the Washington State Investment Board.

6) Agenda Items for Next Meeting

Several items were discussed and will be brought back to the Board at upcoming meetings. These items include:

- Purchase of Annuities Update
- 401h Account Follow-up
- Furloughs Briefing
- Duty Related Death Benefits
- Benefit Improvement Account Proposal
- Strategic Plan Update
- Possible Expansion of Board to include Washington State Patrol
- Ombudsmen Follow-up
- Presumptive Medical Briefing
- Actuarial Risk Analysis Follow-up
- Remarriage Proposal Follow-up
- LEOFF 1 Funding Status

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for April 28, 2010 from 9:30 a.m. – 3:00 p.m. at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington 98502.

There being no further business, the meeting adjourned at 11:20 a.m.