



STATE OF WASHINGTON

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

P.O. Box 40918 • Olympia, Washington 98504-0918 • (360) 586-2320 • FAX (360) 586-2329

REGULAR BOARD MEETING

April 27, 2005

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 April 27, 2004.

Board Members Present:

Kelly Fox, Chair
Jack Simington, Vice Chair
Doug Cochran
Pat Hepler
Mark Johnston
Maureen Morris
David Moseley
Senator Linda Evans Parlette
Doug Pendergrass
Representative Geoff Simpson

Staff Present:

Steve Nelsen, Executive Director
Jessica Burkhart, Executive Assistant
Jeralyn Faulhaber, Administrative Services Manager
Suzanne Shaw, AAG
Tim Valencia, Senior Research Policy Manager

Guests:

Gayatri Eassey, Special Assistant on Boards and Commissions
Office of the Governor

Board Members Not Present:

Michael Edwards

Kelly Fox, Chair, called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:44 a.m.

1) March 23, 2005 Board Meeting Minutes

It was moved that the March 23, 2005 Board meeting minutes be adopted as presented.

MOTION CARRIED UNANIMOUSLY

Kelly Fox, Chair, requested that the agenda be altered to allow for a brief presentation by Gayatri Eassey from the Governor's Office. Ms. Eassey spoke concerning the formal application process for Boards and Commissions and provided the members with an application form.

2) 2005 Interim Issues, Steve Nelsen

Steve Nelsen, Executive Director, presented the Board with a *LEOFF Plan 2 Retirement Board Interim Issues* handout. Mr. Nelsen discussed the various topics the Board requested agency staff study during the 2005 interim, based on LEOFF Plan 2 member feedback. Those topics included:

- Increasing the 2% multiplier
- Final Average Salary
- Survivor Benefits
- Early Retirement
- Dual Membership

Bud Sizemore with the Washington State Council of Fire Fighters (WSCFF) testified on access to retiree health care and gave reference to Senate Bill 5781. Mr. Sizemore stated that the issue of affordable health care is a major issue of concern to members.

3) Legislative Update, Steve Nelsen

Steve Nelsen provided a final legislative update and presented the Board with the *Status of Board Request Bills* for the 2005 Regular Session. Mr. Nelsen indicated that that the following bills were passed by the Legislature.

House Bills

HB 1269 – Purchase of Service Credit
HB 1270 – Post-LEOFF Employment
HB 1325 – Interruptive Military Service Credit

Senate Bills

SSB 5615 – Duty Disability Allowance (occupational only)

Bills of Interest

ESHB 1044 – Changing Pension Funding Methodology (no changes to LEOFF 2)
SHB 1936 – PERS Emergency Medical Techs into LEOFF 2

4) Exempt Salary Setting, Steve Nelsen

Mr. Nelsen presented the Board with a brief overview of the cost of living adjustment (COLA) that will be take place for Washington State employees in September 2005.

It was moved that the Executive Director, Steve Nelsen, be given authority to approve the 2005 COLA and future legislatively-approved salary COLAs for the executive assistant. Seconded.

MOTION CARRIED UNANIMOUSLY

5) Board Membership – Initial Consideration, Tim Valencia

Tim Valencia, Senior Research and Policy Manager presented the Board with a presentation on *Board Membership* and provided information concerning the make-up of the LEOFF Plan 2 Retirement Board. The Initial Consideration included retiree board members, board officers, the Administrative Committee, as well as, term expiration patterns.

It was moved that the Board Membership topic move forward to the Preliminary Report stage and be brought back to the May 2005 Board meeting. Seconded.

MOTION CARRIED UNANIMOUSLY

6) “Dual Response” Survey Follow-Up, Tim Valencia

Tim Valencia presented a survey follow-up from the “Dual Response” newsletter. The *presentation* included the survey objectives, test methodology, member familiarity with benefits and beneficiary information. Mr. Valencia also provided a *Membership Survey Report* which illustrated the results of the survey itself.

7) Administrative Update

Quarterly Budget Update

Mr. Nelsen provided the Board with the *April 2005 Monthly Budget Reports* and indicated that the Board is under budget and will close out 2005 fiscal year with a significant positive variance.

Member Annual Statements/DRS Memo of Understanding

Mr. Nelsen reported that he recently spoke with Sandy Matheson, the new Director of the Department of Retirement Systems (DRS). The Member Annual Statements and Memo of Understanding topics were not discussed in detail at this meeting. Mr. Nelsen will be following up with DRS on these items in the near future.

DRS Agency Rulemaking

Steve Nelsen provided the Board with copies of the *Proposed Rulemaking/CR-102* from the Department of Retirement Systems, which pertain to LEOFF Plan 2 beneficiary rights as well as the benefit calculation for members who retire, return to membership and then re-retire.

Next Board Meeting

Mr. Nelsen provided the Board with the *2005 Agenda Items Meeting Calendar* and reviewed the topics scheduled for the May 25, 2005 Board meeting.

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for May 25, 2005 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 12:59 p.m.