



STATE OF WASHINGTON

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

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REGULAR BOARD MEETING

April 30, 2008

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 30, 2008.

Board Members Present:

Kelly Fox, Chair
Greg Cuoio
Pat Hepler
Jeff Holy
Mark Johnston
Ryan Martin
Glenn Olson
Representative Geoff Simpson

Staff Present:

Steve Nelsen, Executive Director
Shawn Merchant, Deputy Director
Jessica Burkhart, Executive Assistant
Jeralyn Faulhaber, Administrative Services Manager
Tim Valencia, Senior Research and Policy Manager
Greg Deam, Senior Research and Policy Manager
Linda Sullivan-Colglazier, Assistant Attorney General

Guests:

Chris Jaspersen, Actuarial Assistant

Board Members Not Present:

Jack Simington, Vice Chair
Senator Linda Evans Parlette

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. The Board took a moment of silence to honor those who have fallen since the last meeting.

1) **March 26, 2008 Board Meeting Minutes**

It was moved that the March 26, 2008 2006 Board meeting minutes be adopted as presented with the following corrections to the attendee list. Glenn Olson was not present, Clint Olson resigned, and Ryan Martin attended the March 26, 2008 meeting. Seconded.

MOTION CARRIED UNANIMOUSLY

2) **Experience Study Previews – Chris Jasperson, Actuarial Assistant**

- **Retirement**
- **Mortality (Including Projected Improvements)**
- **Merit Salary Scale**

Chris Jasperson, Actuarial Assistant provided the Board with a presentation on the Experience Study Previews including retirement, projected mortality improvements and the merit salary scale. The Office of the State Actuary will come back to the May Board meeting to discuss termination and disability assumptions.

3) **L&I Remarriage Prohibition for LEOFF Plan 2, Preliminary Report – Tim Valencia**

Tim Valencia, Senior Research and Policy Manager provided a *Preliminary Report and presentation* on the topic of L&I Remarriage Prohibition for LEOFF Plan 2. Mr. Valencia explained that there is currently a policy inconsistency between Workers' Compensation benefits and retirement benefits regarding the continuation of survivor benefits when the survivor of the member killed in the line of duty remarries. He provided a background on the 2008 legislation that was pursued.

4) **Fish and Wildlife Service Credit Transfer, Preliminary Report – Greg Deam**

Greg Deam, Senior Research and Policy Manager provided a presented a Preliminary Report on Fish and wildlife Service Credit Transfer. Mr. Deam addressed key issues of allowing Fish and Wildlife Enforcement Officers the opportunity to transfer service credit and the cost involved.

The Board moved to coordinate efforts with the Select Committee on Pension Policy (SCPP) for the topic of Fish and Wildlife Enforcement Officers Service Credit Transfer. Staff will send a letter to the SCPP requesting joint coordination for the 2009 legislative session. A response from the SCPP was also requested by the members. Seconded.

MOTION CARRIED UNANIMOUSLY

5) **Interruptive Military Service Death Benefit, Preliminary Report – Tim Valencia**

Tim Valencia, Senior Research and Policy Manager presented a Preliminary Report and presentation on *Interruptive Military Service Death Benefit*. Mr. Valencia discussed the cost of restoring service credit for periods of public employment that have been interrupted by military service credit and possible solutions.

The Board moved to coordinate efforts with the Select Committee on Pension Policy (SCPP) for the topic of Interruptive Military Service Death Benefit. Staff will send a letter to the SCPP requesting joint coordination for the 2009 legislative session. A response from the SCPP was also requested by the members. Seconded.

MOTION CARRIED UNANIMOUSLY

6) **Administrative Update**

Select Committee on Pension Policy (SCPP) Update

Steve Nelsen, Executive Director provided an update on the latest Select Committee on Pension Policy (SCPP) Meeting.

Newsletter Update

The spring edition of Dual Response is currently at the printer. Board members will be receiving a PDF copy for review prior to the mailing in the next few days.

7) **Deferred Compensation as Salary, Preliminary Report – Greg Deam**

Greg Deam, Senior Research and Policy Manager presented a Preliminary Report regarding *Deferred Compensation as Salary*. Mr. Deam addressed the issue of employer contributions into a deferred contribution program are included in basic salary is not clearly defined. The Board discussed costs associated with contribution rate increases and employer contributions.

It was moved that the Board staff conduct a follow-up survey of employers on the topic of Deferred Compensation as Salary. Seconded.

MOTION CARRIED UNANIMOUSLY

8) **\$150,000 Death Benefit Inflation Adjustment, Preliminary Report – Greg Deam**

Greg Deam, Senior Research and Policy Manager presented a Preliminary Report on the *\$150,000 Death Benefit Inflation Adjustment*. Mr. Deam addressed the loss of purchasing power over time due to inflation and provided the Board with costs and policy options.

It was moved that Board staff write a letter to the Select Committee on Pension Policy (SCPP) requesting coordinated efforts on the issue of \$150,000 Death Benefit Inflation Adjustment. A response from the SCPP was also requested by the members. Seconded.

MOTION CARRIED UNANIMOUSLY

9) Military Service Death Benefit, Preliminary Report – Tim Valencia

Tim Valencia, Senior Research and Policy Manager provided the Board a Preliminary report on the topic of *Military Service Death Benefit*. Mr. Valencia discussed benefits for members who are called to military service and killed during that service. He also provided a brief review of the 2008 legislative action that was taken on this issue.

It was moved that Board staff write a letter to the Select Committee on Pension Policy (SCPP) requesting coordinated efforts on the issue of Military Service Death Benefit. A response from the SCPP was also requested by the members. Seconded.

MOTION CARRIED UNANIMOUSLY

10) Update Operating Procedures, Steve Nelsen

Mr. Nelsen provided the Board an updated version of the *Board's Operating Procedures* which reflected amendments to Rule #3.

It was moved that the Board adopt the amendments to the operating policies, which allows the Chairman to convene or adjourn a meeting, and allows the Board to conduct business, but not vote, without a quorum being present (Rule 3-B).
Seconded.

MOTION CARRIED UNANIMOUSLY

11) Agenda Items for Next Meeting

Mr. Nelsen reviewed the agenda items for the upcoming meeting. Duty Related Illnesses for Law Enforcement Officers, Projected Improvements in Mortality, and Contribution Rate Adoption will all be topics of discussion for the May meeting.

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for May 28, 2008 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 12:53 p.m.