

BOARD MEETING MINUTES

MAY 15, 2019 - FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Dennis Lawson, Chair – Central Pierce Fire and Rescue
Absent	Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Adé Ariwoola – City of Federal Way
Absent	Mark Johnston – Vancouver Fire Department
Absent	AJ Johnson – Snohomish County Fire District #1
In Attendance	Senator Jeff Holy – Spokane Police Department (Retired)
Teleconference	Tarina Rose-Watson – Spokane Int’l Airport Police Dept
In Attendance	Pat McElligott – Pierce County Fire and Rescue
Teleconference	Senator Judy Warnick – WA State Senator
In Attendance	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 Board conference room in Olympia, Washington on May 15, 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.

1. APPROVAL OF MINUTES

Meeting Minutes from the December 2018, January, February, March and April 2019 meetings are before the Board for approval.

ACTION | It was moved to approve the Board meeting minutes from December, January, February, March and April 2019. Motion seconded. The Board approved the minutes without objection.

2. 2019 LEGISLATIVE SESSION RECAP

Senior Research and Policy Manager Jacob White provided an educational briefing on the 2019 legislative session outcome.

2019 Operating Budget

Budget Provisions Affecting LEOFF Plan 2:

Contribution Rates: The legislature funded the contribution rates adopted by the LEOFF Plan 2 Board as:

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Member: 8.59%, Employer: 5.15%, State: 3.44%

Tribal Police Study:

The legislature appropriated \$50,000 to the LEOFF 2 Board to study the tax, legal, fiscal, policy, and administrative issues related to allowing tribal law enforcement officers to become members of the LEOFF 2 plan. This report is due to the legislature by January 1, 2020.

Bills Affecting LEOFF Plan 2 – Passed

SB 5355 - LEOFF/PERS Eligibility Gap (LEOFF 2 Board Endorsed)

HB 1408 – Spousal Consent (LEOFF 2 Board Endorsed)

HB 1909 – Confidentiality of Industrial Insurance Claim Records

HB 1913 – Presumptive Illnesses

HB 2144 – Benefit Improvement Account

Bills Affecting LEOFF Plan 2 – Not Passed

HB 1414/SB 5335 – Month of Death Payment (LEOFF 2 Board Endorsed)

HB 2127 – Concerning Additional Contribution Rates

SCPP Bills – Passed

SB 5350 – Purchase of Additional Annuity for PERS, SERS, PSERS

SB 5360 – Plan 2 Default for PERS, TRS, SERS

3. 2019 INTERIM PLANNING

Senior Research and Policy Manager Ryan Frost presented a brief overview of each of the Benefit and Actuarial topics before the Board for consideration in the 2019 Interim. Executive Director Steve Nelsen presented the Administrative topics before the Board. No action was taken at this time.

Benefit Topics:

1. Interruptive Military Service
2. Survivor Option Election
3. Benefit Improvement Account
4. Tribal Participation in LEOFF
5. Annuity Minimum
6. Month of Death
7. Career Change
8. Disabled members return to work
9. PEBB coverage for catastrophic retirees
10. Standby pay as basic salary

Actuarial Topics:

1. Supplemental Rate Adoption
2. Funding Method/Corridor
3. New Risk Measures (ASOP 51)
4. Economic Experience Study
5. Demographic Experience Study (DEXTER)
6. LEOFF 2 Actuarial Valuation (LAVR)
7. Administrative Factor Adoption

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8. Fiscal Note Audit (BIA, Presumption)

Administrative Topics:

1. 2019-2021 Board Operating Budget
2. Agency Move
3. Board Officer Elections (September 2019)
4. Trustee Education Policy
5. Trustee Attendance Policy
6. Meeting Delivery Alternatives
7. DRS Rulemaking
8. Financial Audit
9. DRS/SIB Presentations
10. October Offsite Strategic Planning
11. Annual AG Training

4. ADMINISTRATIVE UPDATE

Executive Director Steve Nelsen provided his administrative update to the Board.

Agency Move: The agency has been given a 12 month notice and we will need to vacate our current office location. Updates will be provided to the Board as staff works through this process.

Budget Update: Budget preview in June

Staff Changes: This is Ryan Frost's last meeting as he has accepted a promotional position.

Philip Talmadge Records Request:

Jacob White and Jessica Burkhart have been coordinating with AAG Tor Jernudd to handle the request. Please send Jessica a response to the email she sent yesterday indicating you have conducted a search and do or do not have records responsive to the request.

Outreach Activities:

Snohomish Fire District 7 Benefits Fair May 8th – Tim Valencia attended
King County Fire District 27 Benefits Fair May 2nd – Tim Valencia attended
WACOPS Spring Meeting May 14 – Steve Nelsen presented
WASPC May 21-22 – Tammy Harman attending

5. AGENDA ITEMS FOR FUTURE MEETINGS

The draft interim work plan for 2019 will be provided at the June 26th meeting for the Board's consideration.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:00am.

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for June 26, 2019 at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502.