

BOARD MEETING MINUTES

MAY 23 - FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Dennis Lawson, Chair – Central Pierce Fire and Rescue
Absent	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
In Attendance	Representative Steve Bergquist – WA State Representative
Absent	Senator Judy Warnick – WA State Senator
In Attendance	Mr. Adé Ariwoola – City of Federal Way
Absent	Mr. Dwight Dively – King County
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
In Attendance	Mr. Michael White – Valley Regional Fire Authority
In Attendance	Mr. Pat McElligott – Pierce County Fire and Rescue
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
Absent	Tammy Harman – Death and Disability Ombudsman
In Attendance	Jacob White – Senior Research and Policy Manager
In Attendance	Ryan Frost – 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 conference room in Olympia, Washington on May 23, 2018. A quorum of the members was present at this meeting.

OPENING

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

MINUTES APPROVED

It was moved to approve the Board meeting minutes from April 25, 2018. Motion was seconded. The Board approved the minutes without objection.

2. LAVR PREVIEW

Mitch DeCamp, Actuarial Analyst from the Office of the State Actuary, presented the preliminary results from the LEOFF 2 Actuarial Valuation.

3. FUNDING METHOD

Executive Director Steve Nelsen presented an overview of funding policy to the Board. Deputy State Actuary Lisa Won joined Director Nelsen during the presentation to answer questions and clarify information provided. The current framework for funding LEOFF Plan 2 is a result of several decisions such

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as choosing the aggregate funding method, adopting long-term economic assumptions, setting member behavior assumptions, and modifying the funding method to provide contribution rate stability.

4. CONTRIBUTION RATE SETTING INTRODUCTION

Deputy Director Tim Valencia provided an introduction to the Board on contribution rate setting. Deputy State Actuary Lisa Won joined Deputy Valencia during the presentation to answer questions and clarify actuarial information that was provided. Information about the rate setting cycle, current and historical contribution rates, a review of the Board's strategy and policies related to contribution rates, along with other concepts that impact rate setting were discussed.

5. SUPPLEMENTAL RATE INTRODUCTION

Deputy Director Tim Valencia presented an introduction to the Board on supplemental rate setting. A supplemental rate may be necessary due to the passage of Senate Bill 6214 which added Post-traumatic Stress Disorder (PTSD) to the list of presumptive occupational diseases for Workers' Compensation. The adoption of a supplemental contribution rate would prefund this benefit improvement passed by the legislature. Deputy Valencia provided information about supplemental contribution rates including the purpose of the supplemental rate, supplemental rate development, supplemental rate history, and the PTSD legislation from the 2018 session.

6. BENEFIT IMPROVEMENT ACCOUNT

Executive Director Steve Nelsen provided an educational briefing to the Board providing background on the history and purpose of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Benefit Improvement Account. The payment to the LEOFF Plan 2 Benefit Improvement Account (BIA) originally scheduled for September 2016 has not been made. The payment originally scheduled for September 2018 was not included in the State Operating Budget.

7. ADMINISTRATIVE UPDATE

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

CONSTITUENT CORRESPONDENCE

Two pieces of correspondence have been received since the last board meeting.

Senator Van De Wege sent an email asking the Board to explore a retire/rehire LEOFF 2 program for rural departments.

The Department of Retirement Systems sent a letter to the Board requesting the LEOFF 2 Board consider two issues and endorse them for legislative action. 1) Remove spousal consent for requirements for certain survivorship selections and 2) Eliminate proration of month of death benefit payment. The next step would be for staff to contact and schedule DRS to come speak on these bills at a future meeting.

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MOTION	Pat McElligott discussed the process of a person choosing their retirement options when applying with DRS. Currently the options chosen at the time of applying for retirement are irrevocable. Mr. McElligott made a motion that the Board research this issue and possibly provide a window of time where a person can make changes before their retirement options become final. Motion was seconded. Motion passed unanimously. Staff will provide an initial presentation at the June or July meeting.
EXPECTATION INTERVIEWS	Executive Assistant, Jessie Jackson will be contacting trustees to schedule an annual expectation interview with Executive Director Nelsen. Results from these interviews will be shared at the October offsite meeting.
OUTREACH ACTIVITIES	Tammy Harman is currently providing outreach at the WASPC conference in Spokane. Tim Valencia will be presenting to Fire Fighter groups in Snohomish on May 24 th .

8. EXECUTIVE SESSION

Chair Lawson moved the Board to Executive Session for 30 minutes. An additional 10 minutes was requested by the Board. At 12:45PM the Board returned.

MOTION	A motion was made to increase the Executive Director's salary by 4% on July 1, 2018, with an additional increase on January 1, 2019 of a minimum of 4%, in accordance to the most current salary information in the NASRA database for like positions. Motion was seconded. Motion passed unanimously.
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9. AGENDA ITEMS FOR FUTURE MEETINGS

Executive Director Steve Nelsen reviewed the agenda items for the next meeting including two additional items requested today. The motion made regarding a window when choosing final retirement options will be added to the interim plan for June or July. Executive session to discuss past legal advice on the Benefit Improvement Account from the Attorney General's Office will be added to the July agenda.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:50 PM.

MOTION	Motion was made to adjourn. Motion was seconded. Motion passed unanimously. The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for June 20 th , 2018 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.
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