

BOARD MEETING MINUTES

MAY 28, 2014



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
In Attendance	Mr. Jack Simington, Vice Chair – Kennewick Police Department
In Attendance	Mr. Jeff Holy – Spokane Police Department (Retired)
In Attendance	Mr. Wally Loucks – Spokane County Sheriff’s Office
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
In Attendance	Mr. Pat Hepler – Snohomish County Fire District 1
In Attendance	Mr. Paul Golnik – WA Fire Commissioners Association
In Attendance	Mr. David Cline – City of Tukwila
Absent	Senator Sharon Brown – WA State Senator
Absent	Representative Kevin Van De Wege – WA State Representative
In Attendance	Steve Nelsen – Executive Director
In Attendance	Tim Valencia – Deputy Director
In Attendance	Jessica Burkhart – Executive Assistant
In Attendance	Tammy Harman – Administrative Services and Communications Manager
In Attendance	Paul Neal, Senior Legal Counsel
In Attendance	Ryan Frost – Research Analyst
In Attendance	Dawn Cortez – 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 28, 2014. A quorum of the members was present at this meeting.

OPENING

Chair Kelly Fox called the meeting to order at 9:30 AM 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 March 26, 2014. Motion seconded. The Board approved the minutes without objection.

2. Demographic Experience Study Education

Lisa Won, Senior Actuary presented an overview of the Demographic Experience Study including requirements and process. Ms. Won explained that two different experience studies are performed; economic and demographic. Economic focuses on economy, data sources, and national trends every two years. The Demographic Experience Study takes a big picture look with different emphasis and data and is plan specific. The Board receives these results every six years.

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3. Local Government DCP Participation – Initial Consideration

Paul Neal, Senior Legal Counsel presented the Initial Consideration on the topic of Local Government DCP Participation. Mr. Neal explained that LEOFF Plan 2 members do not have access to the potentially lower-cost Department of Retirement Systems’ Deferred Compensation Plan. 64% of LEOFF 2 members do not have access through their employers.

MOTION

It was moved to research additional aspects of Local Government DCP Participation. Staff will research and bring back options at an upcoming board meeting. Motion seconded and carried unanimously.

4. Final Average Salary Protection – Initial Consideration

Ryan Frost, Research Analyst presented the Initial Consideration on Final Average Salary Protection. Mr. Frost described the issue of members’ retirement benefits being reduced if temporary salary reductions after July 1, 2013 occur during their Final Average Salary (FAS) period. Mr. frost provided the background on this issue and legislative history.

MOTION

It was moved to research additional information concerning FAS Protection. Staff will prepare and bring back a Preliminary Report to an upcoming board meeting. Motion seconded and carried unanimously.

5. Administrative Update

Select Committee on Pension policy Update

Director Nelsen reviewed the agenda from the latest SCPP meeting and announced he will be presenting at their June 17, 2014 meeting.

Outreach Activities

During the months of April and May, Director Nelsen attended the following: FOP Leadership Meeting, and the WSCFF Educational Seminar and display booth in Wenatchee. Staff attended the WASPC Conference and display booth in Spokane.

NCPERS Life Insurance

Last year, the board received a presentation from Bill Robinson of NCPERS Life Insurance. Director Nelsen asked the trustees if they would like to move this issue forward. No action was taken.

October off-site Meeting

Each October the staff and trustees have an off-site meeting to review expectations for the coming year. Staff will bring back a proposal to the Board at the June 18, 2014 meeting.

Staff Changes

Director Nelsen announced that Tammy Harman will be the LEOFF Plan 2 Retirement Board’s Ombudsman. Jessica Burkhart has been promoted as the Administrative Services Manager, and Jessie Jackson has accepted a

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six-month probationary offer to be Director Nelsen's Executive Assistant. These changes will take effect in June 2014.

6. Alternate Revenue Update

The Board moved this topic to the June 18, 2014 meeting.

7. Parliamentary Procedure Review

Dawn Cortez, Assistant Attorney General provided the Parliamentary Procedure Review. Ms. Cortez reviewed the differences between Robert's and Reed's Rules. Ms. Cortez recommended the Board adopt Roberts Rules for their parliamentary procedures as this is what is used by many other state boards.

MOTION

It was moved to adopt Robert's Rules of Parliamentary Procedure. Motion seconded and carried unanimously.

8. Annual Attorney General Training

Dawn Cortez, Assistant Attorney General provided the Ethics in Public Service training covering the following issues: Use of trust resources, gifts and prohibitions, meals and travel, and confidential information. These rules can be found in WAC 292-110 and 390. Or the state statutes are RCW 41.04.300, 42.17A, 42.20, and 42.52.

Trustees and staff present watched a 22 minute video created by the Attorney General's Office called the Public Records Act Training. Those who participated signed a document indicating they have received the mandatory state training.

9. Possible Executive Session

The Board broke for executive Session at 11:45-12:00 PM.

10. Agenda Items for Future Meetings

Director Nelsen provided an overview of the Agenda Items calendar. The following agenda topics will be heard at the June meeting: DRS Benchmarking, Actuarial Audit presentation from Milliman, Demographic Experience study, Contribution Rate Setting Process and an Education Briefing on Alternate Revenue.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:35 PM.

NEXT MEETING

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for June 18, 2014 at 9:30 AM at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502