

BOARD MEETING MINUTES

JUNE 18, 2014



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
Absent	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
Absent	Mr. Paul Golnik – WA Fire Commissioners Association
Absent	Mr. David Cline – City of Tukwila
In Attendance	Senator Sharon Brown – WA State Senator (Joined at Item 5, left before end of Item 8)
In Attendance	Representative Kevin Van De Wege – WA State Representative (Joined at Item 5)
In Attendance	Steve Nelsen – Executive Director
In Attendance	Tim Valencia – Deputy Director
In Attendance	Jessie Jackson, Executive Assistant
Absent	Jessica Burkhart – Administrative Services Manager
In Attendance	Tammy Harman – Death and Disability Ombudsman
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 9:34 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

Chair Kelly Fox called for a review of the May 2014 minutes.

Motion | It was moved and seconded to approve the May 28, 2014 minutes and all approved.

2. DRS Benchmarking

Jan Hartford, CEM Benchmarking and Mark Feldhausen with the Department of Retirement Systems presented an update on where the Department of Retirement Systems compared to national peers for year end 2013.

3. Actuarial Audit Presentation

Mark Olleman and Daniel Wade with Milliman presented the preliminary results of the Actuarial Audit being conducted in conjunction with the Pension Funding Council.

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4. Demographic Experience Study and Valuation Results

Lisa Won and Matt Smith with the Office of the State Actuary presented the results of the most recent Demographic Experience Study that will be used to put together the 2015 Actuarial Valuation Report.

5. Contribution Rate Setting Process

Ryan Frost, Research Analyst for the Board provided history and an overview of the process the Board uses to set contribution rates including statutory duty, goals and achievements, and options to consider.

6. Administrative Update

Director Steve Nelsen updated the Board on activities of the SCPP and outreach by staff. He also provided a quarterly budget update and discussed what progress has been made for the October off-site meeting.

He made sure to note that the SCPP has been made aware that the Board is interested in exploring a change in the timing of the next Experience Study. Additionally, Mr. Nelsen discussed the coordination of Final Average Salary and Deferred Compensation Program issues with the SCPP. He will keep the Board apprised of actions on these items.

7. Alternate Revenue - Educational Briefing

Ryan Frost briefed the Board on the Alternate Revenue legislation, including background, intent, components involved and a historical review of distribution.

8. Executive Session – Executive Director Evaluation and Potential Litigation

Motion It was moved and seconded to ask the Attorney General’s office to provide a second opinion on the Alternate Revenue issue and all approved.

It was moved and seconded to hire a consultant to provide information on the Alternative Revenue issue at the July Board meeting and all approved.

It was moved and seconded to increase the salaries of all LEOFF 2 staff by 5% contingent upon state rules and regulations and all approved.

9. Agenda Items for Future Meetings

Mr. Nelsen reviewed items that will be discussed at future meetings.

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ADJOURNMENT

There being no further business, the meeting was adjourned at 2:42 PM.

NEXT MEETING | The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for 9:30 AM on July 23, 2014 at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502.