

BOARD MEETING MINUTES

JULY 24, 2019 – FINAL



TRUSTEE AND STAFF ATTENDANCE

Absent	Dennis Lawson, Chair – Central Pierce Fire and Rescue
In Attendance	Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Adé Ariwoola – City of Federal Way
Teleconference	Mark Johnston – Vancouver Fire Department
Teleconference	AJ Johnson – Snohomish County Fire District #1
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Tarina Rose-Watson – Spokane Int’l Airport Police Dept
Absent	Pat McElligott – Pierce County Fire and Rescue
Absent	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	Karen Durant – Senior Research and Policy Manager
In Attendance	Michael Nelson – Assistant Attorney General

Call to Order

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on July 24, 2019. A quorum of the members was present at this meeting.

Vice Chair Jason Granneman 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 from the June 26th, 2019 meeting are before the Board for approval.

ACTION | It was moved to approve the Board meeting minutes from June 26, 2019. Motion seconded. The Board approved the minutes without objection.

2. NEW ACTUARIAL RISK MEASURES (ASOP 51)

Matt Smith, CA, EA, MAAA, State Actuary gave an educational presentation to the Board on risk measures for LEOFF 2, OSA’s plans for reporting on risk and provided some key risk management strategies. No action was taken.

3. SUPPLEMENTAL RATE ADOPTION

Tim Valencia, Deputy Director presented an overview of supplemental contribution rates and policy options before the Board today. A supplemental rate may be necessary due to the passage of House Bill 1913 which adds medical conditions to the presumption, extending the presumption to certain publicly employed firefighters and investigators and law enforcement. Three options are before the Board for consideration.

BOARD MEETING MINUTES

JULY 24, 2019 – FINAL



- Option 1:** Continue current contribution rates of 8.59% member, 5.15% employer, 3.44% state
- Option 2:** Adopt entry age normal cost supplemental rate increase of 0.04% member, 0.02% employer, 0.03% state effective September 1, 2019
- Option 3:** Adopt the aggregate based supplemental rate increase of 0.05% member, 0.03% employer, 0.02% state effective September 1, 2019

ACTION | It was moved and seconded to choose option 1 and continue the current contribution rates 8.59% member, 5.15% employer, 3.44% state. A quorum of the Board was not available at this time. No action was taken at this time and the motion was tabled. A quorum was made available at 11:00AM and the Board returned and reinstated the motion to adopt option 1. Motion was seconded. Motion passed unanimously.

4. PENSION FUNDING PART 1

Mitch DeCamp, Actuarial Analyst and Lisa Won, ASA, FCA, MAAA, Deputy State Actuary gave an educational presentation to the Board on pension funding, LEOFF 2’s actuarial cost method and considerations for the Board. Options for adoption will take place at the September 25, 2019 meeting. A follow up presentation on Pension Funding Part 2 will take place at the October meeting.

5. MONTH OF DEATH PAYMENT

Jacob White, Senior Research and Policy Manager gave an initial presentation to the Board on Month of Death Payment. In the month a retiree or survivor passes away, the last month benefit payment is prorated based on the number of days the person was alive in the month. Frequently this results in an overpayment and an invoice being sent to the family or estate to collect any amount that should have been prorated. In 2018 the Department of Retirement Systems requested the LEOFF 2 Board and Select Committee on Pension Policy endorse legislative action in 2019 to pay the full month of death payment. Both bills, HB 1414/SB 5335, did not make it out of the house of origin.

6. SURVIVOR OPTION REELECTION

Jacob White, Senior Research and Policy Manager gave an initial presentation to the Board on Survivor Option Reelection. It may be considered unfair to have a member make their irrevocable retirement election for a survivor option without all the information that is important to them. A follow up presentation will occur at the next meeting.

7. ADMINISTRATIVE UPDATE

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

AGENCY MOVE	Our office space will not be needed until September 2020. We will proceed with the regular relocation process with approval coming from OFM in the next two months.
EXPECTATION INTERVIEWS	Half of the expectation interviews have been scheduled. All expectation interviews need to be completed by the October meeting.
SCPP COORDINATION	Month of Death is built into the SCPP work plan for the interim. The topics of Survivor Reelection and Interruptive Military Service Credit are not in their work plan.

BOARD MEETING MINUTES

JULY 24, 2019 – FINAL



8. TRIBAL LAW ENFORCEMENT STUDY

Jacob White, Senior Research and Policy Manager and Chantal Won, Research Intern, gave an initial presentation to the Board on the Tribal Law Enforcement Study. The legislature tasked the LEOFF 2 Board with studying the tax, legal, fiscal, policy, and administrative issues related to allowing tribal law enforcement officers to become members of the LEOFF 2 plan. The report is due to the legislature by January 1, 2020. A Tribal Law Enforcement Survey has been sent out to tribes to conduct their interest in joining the pension systems and to inquire what their current retirement plans are.

There was public testimony from:

Tim Reynaud, Puyallup Tribal Council, CoChair of Law and Justice committee
William Loiser, Lieutenant
Mike Laziner, CoChair WASPC tribal
Jared Couch, Sargent Upper Skagit County
Davor Jurrasic, Nisqually and Port Gamble

9. BENEFIT IMPROVEMENT ACCOUNT

Steve Nelsen, Executive Director discussed the Benefit Improvement Account and the account distribution policy considerations.

10. 2019-2021 BIENNIAL BUDGET ADOPTION

Tim Valencia, Deputy Director presented the proposed budget for the 2019-2021 biennium to the Board for approval.

ACTION | It was moved and seconded to adopt the budget as presented. Motion passed unanimously.

11. AGENDA ITEMS FOR FUTURE MEETINGS

Director Nelsen reviewed agenda items for the next meeting. The Board will not be meeting in August and the next meeting will be September 25, 2019.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:38PM.

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for September 25, 2019 at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502.