

# BOARD MEETING MINUTES

## JULY 26, 2017 - FINAL



### TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
Teleconference	Mr. Dennis Lawson - Central Pierce Fire and Rescue
In Attendance	Representative Steve Bergquist – WA State Representative
Teleconference	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
In Attendance	Mr. Wally Loucks – Spokane County Sheriff’s Office
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
In Attendance	Mr. Paul Golnik – WA Fire Commissioners Association
In Attendance	Mr. Ade Ariwoola – City of Federal Way
In Attendance	Mr. Michael White – Valley Regional Fire Authority

### CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on July 26, 2017. A quorum of the members was present at this meeting.

OPENING | Vice Chair Jason Granneman called the meeting to order at 9:31 AM.

### 1. APPROVAL OF MINUTES

MOTION | A motion to approve meeting minutes from December 2016 through June 2017 was made. Motion was seconded. Motion passed unanimously.

### 2. LEGISLATIVE UPDATE

Paul Neal, Senior Research and Policy Manager gave a legislative update to the board.

2017–2019 Operating Budget (SSB 5883): Final Budget Passed on June 30

Included in Budget:

- Full funding of LEOFF Plan 2 contribution rates adopted by the Board
- Deferral of LEOFF 2 benefit improvement account contribution
- Employer contributes state share on officer special event compensation

Proposals Not Included in Final Budget:

- Eliminating state contribution to LEOFF
- Eliminating employer contribution to DRS expense fund
- Board study of tribal law enforcement officers in LEOFF Plan 2
- Merging LEOFF 1 with LEOFF 2 or TRS 1

Bills Affecting LEOFF Plan 2 – Passed

- Including Hospital District EMTs into LEOFF 2 (HB 2202)
  - Clarifies eligibility for hospital district and ambulance authority EMTs
  - Past service credit option
- Expanding Interruptive Military Service Credit Rights – Study (SB 5661)
  - Board directed to study whether waiver of employee contributions interruptive military service credit should be expanded to include members without a campaign badge or medal

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- Report to Legislature by January 1, 2018
- Expanding Definition of Veteran (HB 1369)
  - “Veteran” includes persons with specified documents showing honorable military service

### Bills Affecting LEOFF Plan 2 – Not Passed

- Providing Workers Compensation for PTSD (HB 1655)
  - Would allow workers compensation multiple incident PTSD claims for LEOFF members
- Property Tax Exemption for Survivors of Members Killed in the Line of Duty (SB 5104)
- Expanding Occupational Disease Presumptions for LEOFF Members (SB 5477)

### SCPP Bills Passed:

- Washington State Patrol Retirement System (WSPRS) Voluntary Overtime (SB 5274)
  - Up to 70 hours per year of voluntary overtime is included in Trooper compensation prospectively
  - The maximum member contribution rate is increased by 1.10 percent
- Public Safety Employees’ Retirement System (PSERS) Full Time Definition (HB 1709)
  - Employees erroneously reported in PSERS may transfer PERS credit to PSERS if their employment contract defined full-time employment as at least 140 hours per month

## 3. LEOFF 2 ACTUARIAL VALUATION AND ECONOMIC EXPERIENCE STUDY PREVIEW

Lisa Won, ASA, FCA, MAAA, Deputy State Actuary, OSA, gave an informational presentation to the board on the upcoming Actuarial Valuation report and the Economic Experience Study. No action is needed as this presentation is in preparation for a presentation in September.

## 4. 2017 INTERIM PLANNING

Ryan Frost, Research and Policy Manager, presented a review of possible topics to aid in setting the 2017 interim agenda for the Board.

### Actuarial Items:

- LEOFF 2 Actuarial Valuation
- Update on Cost of Benefit Improvements
- Economic Assumptions Adoption

### Potential Topics:

- Presumption for PTSD
- Catastrophic Retiree Healthcare
- Retirees Recovering from Disabilities
- Retiree Return to Work

### Administrative Items:

- DRS Rulemaking
- Financial Audit
- DRS/SIB Presentations
- October Offsite Planning Meeting
- Annual Attorney General Training

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MOTION	A motion was made to move forward with adding the update on cost of benefit increases improvements. Motion was seconded. Motion passed unanimously.
MOTION	A motion was made to move forward with Catastrophic Retiree Healthcare and Retirees Recovering from Disabilities. Motion was seconded. Motion passed unanimously.

## 5. INTERRUPTIVE MILITARY SERVICE CREDIT

Ryan Frost, Research and Policy Manager gave an initial presentation to the board. At the commencement of the legislative session the Board was directed to study the requirements for member contributions for interruptive service credit.

## 6. ADMINISTRATIVE UPDATE

Steve Nelsen, Executive Director gave an administrative update to the board.

OUTREACH ACTIVITIES	No outreach activities have occurred since the last meeting.
BUDGET UPDATE	Final quarter of Fiscal year, agency is under budget.
PUBLIC TESTIMONY	Budd Sizemore, WACOPS, asked the Board for communication and update regarding benefits. He asked for a one pager on apples to apples comparison on benefits and plan health. And education to members on why plan health is important.

## 7. EXECUTIVE DIRECTOR COLA

MOTION	A motion was made to move into executive session. Motion was seconded. Motion passed unanimously. The Board moved into the small conference room for 30 minutes to discuss the Director's compensation.
MOTION	A motion was made to affirm the same COLA for the 2017-2019 that was included in the state budget for all state employees to the Executive Director and grant the Executive Director the COLA. Motion was seconded. Motion passed unanimously.
MOTION	A motion was made to do a salary survey and compare positions to the exec director. Motion seconded. Motion passed unanimously.

## 8. AGENDA ITEMS FOR FUTURE MEETINGS

Director Nelsen reviewed the agenda items for the remaining months of 2017:

August – Director Nelsen reviewed that the Board typically cancels the August meeting.

September – Initial presentations on the two items from today, follow up on Interruptive Military Service Credit, Board elections, actuary items

October – Offsite meeting for strategic planning

November – Follow up on presentations from September

December – Final presentations

MOTION	A motion was made to adopt the agenda below as proposed by Director Nelsen. Motion was seconded. Motion passed unanimously.
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## ADJOURNMENT

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

### NEXT MEETING

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for September 27, 2017 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.