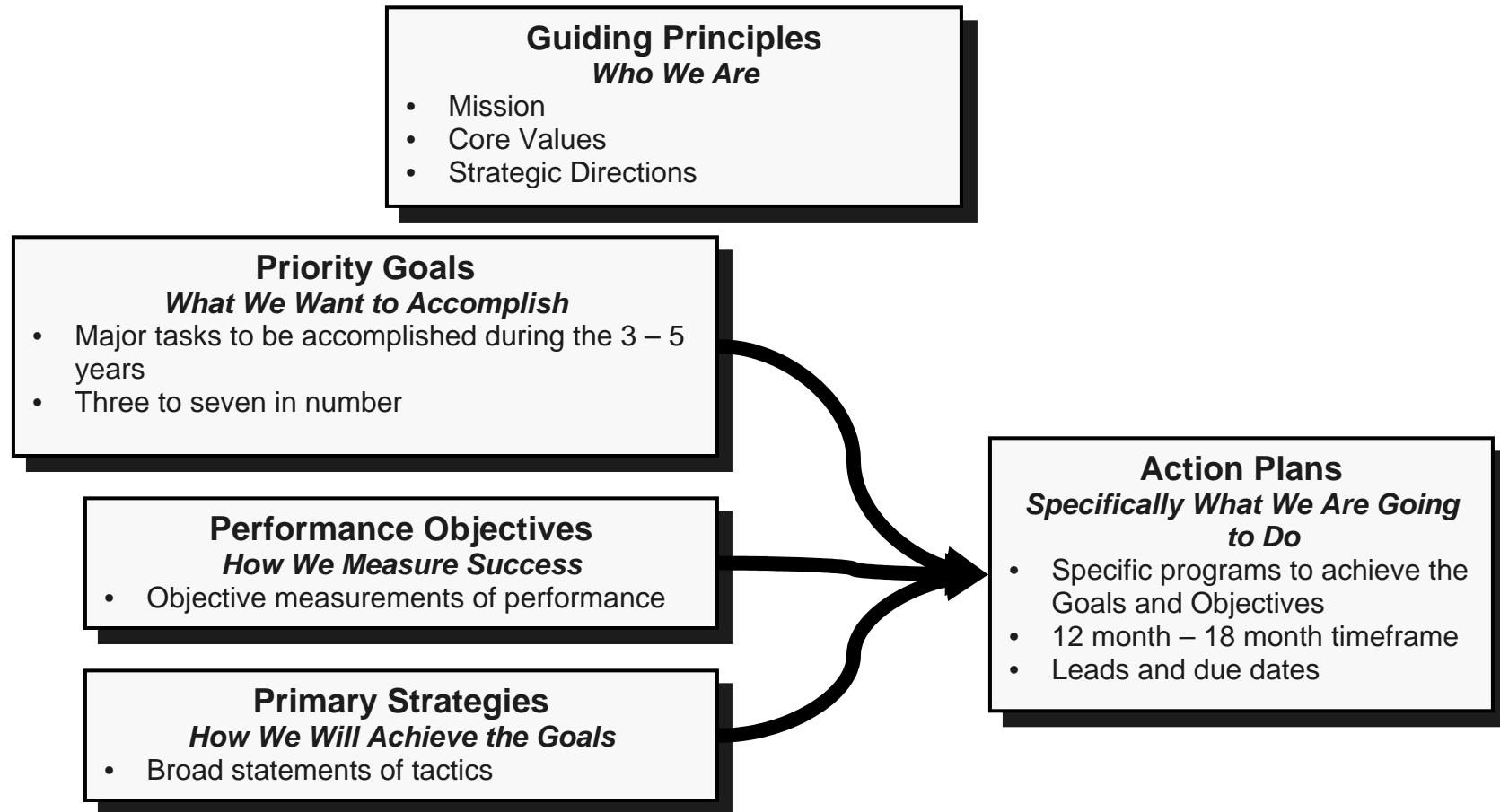


# Law Enforcement Officers' and Firefighters' Plan 2 Retirement Board Strategic Plan

*Revised: June 23, 2004*



## ***Mission***

- ***The mission of the LEOFF 2 Board is to responsibly govern the pension plan for the benefit of the members.***

# Core Values

***Note: These are the Core Values from the Department of Retirement Systems. They are suggested as a starting place.***

- We will treat our customers and each other with respect, fairness, honesty, and consistency.
- We will communicate openly and considerately.
- We will foster a climate in which innovation, initiative, and accountability are expected and supported.
- We will work with our customers to improve our responsiveness in meeting their needs.
- We will maximize the use of technology and emphasize user-friendly interface.

# Strategic Directions 2004 – 2009

# Goals

## *Overview*

- Enhance the benefits for the members.
- Provide the stakeholders with a voice in plan governance.
- Maintain the financial integrity of the plan.
- Stabilize contribution rates.

# Goals with Performance Objectives, Strategies and Action Plans

- *Goal One: Enhance the benefits for the members.*

- **Performance Objectives**

- Add benefits that are affordable for stakeholders
    - Increase benefits for workers injured in the line of duty

- **Key Strategies**

- Propose legislation that improves the plan for the stakeholders
    - Compare plans from other states and relevant organizations
    - Identify potential revenue sources for benefit enhancements
    - Get stakeholder input for needed changes in the plan
    - Explore and monitor federal pension and tax laws

- *Action Plans*

Action	Lead(s)	Schedule	Status

■ ***Goal Two: Provide the stakeholders with a voice in plan governance.***

■ **Performance Objectives**

- Develop communication media for the stakeholders
- Maintain stakeholder confidence in the integrity of the plan

■ **Key Strategies**

- Provide opportunities for member communication/feedback
  - Make presentations to stakeholder groups
  - Solicit information about stakeholder priorities and issues
  - Make presentations at public hearings
  - Develop a wide range of communication media such as website, newsletter and e-mail
- Inform stakeholders about opportunities for communication/feedback

■ ***Action Plans***

Action	Lead(s)	Schedule	Status

■ **Goal Three: Maintain the financial integrity of the plan.**

■ **Performance Objectives**

- Establish prudent financial policies.
- Identify additional funding mechanisms

■ **Key Strategies**

- Adopt adequate contribution rates
- Adopt financially sustainable budget for board operations
- Adopt economic assumptions, actuarial tables and cost methodologies
- Commission independent audits
- Research other options for revenue

■ **Action Plans**

Action	Lead(s)	Schedule	Status



■ **Goal Four: Stabilize contribution rates.**

■ **Performance Objectives**

- Reduce rate volatility
- Increase the reliability and duration of rate projections

■ **Key Strategies**

- Consult with strategic partners to develop tools to increase rate stability
- Look for best practices from other states and/or agencies
- Examine opportunities to re-structure the plan to reduce volatility

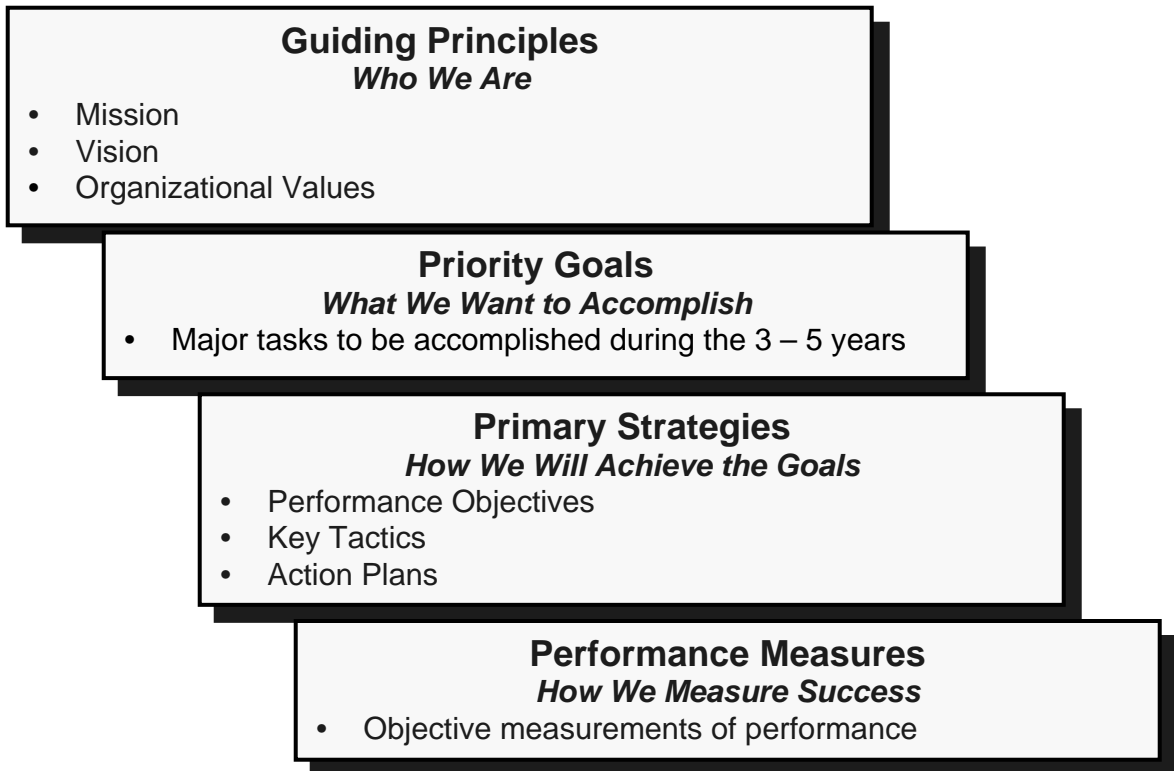
■ **Action Plans**

Action	Lead(s)	Schedule	Status

# Performance Measures

Method of Measurement	Target	Actual <i>July 15, 2004</i>
1. Comprehensive communication program with targets and schedule	Plan presented by December 31, 2004	
2. Deviation from the expected long term cost of the plan	<ul style="list-style-type: none"> <li>▪ Short term—moving in right direction</li> <li>▪ Long term--actual cost is very close to expected cost</li> </ul>	
3. Actual performance vs. projections in key planning areas	Actual and projected are very close	
4. Increased benefits for employees disabled in the line of duty	____% of salary prior to disability	
5. Board proposals that are approved by the legislature	100% approval rate	
6. Quality research supporting proposals	Research component accompanies each proposal	
7. Feedback from the membership	Establish process for gathering input by December 31, 2004  Perform baseline surveying by March 31, 2005	
8. Current and appropriate funding policies	Review, revise and adopt funding policies for LEOFF Plan 2 by December 31, 2005	
9. Funded ratio under actuarial standards	At least 100%	
10. Results of audits	<ul style="list-style-type: none"> <li>▪ Board expenses—no findings</li> <li>▪ Independent audit of actuary's assumptions—performed on timely basis</li> </ul>	

**LAW ENFORCEMENT OFFICERS' AND FIREFIGHTERS' PLAN 2  
RETIREMENT BOARD  
STRATEGIC PLAN**  
*Revised: July 23, 2004*



# Guiding Principles

## *Who We Are*

### Mission

- The mission of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board is to responsibly govern the pension plan for the benefit of the members.

### Vision

- *What does success look like?*

### Organizational Values

***These are the Guiding Principles (Values) of the Department of Retirement Systems. They have been suggested as a model to use for developing the LEOFF Plan 2 Retirement Board organizational values.***

- *We will treat our customers and each other with respect, fairness, honesty, and consistency.*
- *We will communicate openly and considerately.*
- *We will foster a climate in which innovation, initiative, and accountability are expected and supported.*
- *We will work with our customers to improve our responsiveness in meeting their needs.*
- *We will maximize the use of technology and emphasize user-friendly interface.*

### Proposed LEOFF Plan 2 Retirement Board Organizational Values

- We will treat those we serve and each other with respect, fairness, and honesty.
- We will communicate openly and professionally.
- We will foster a climate of innovation, integrity, accountability, and excellence.
- We will work with those we serve to meet their needs.

# Priority Goals 2004 – 2009

## *What We Want to Accomplish*

- Enhance the benefits for the members.
- Provide the stakeholders with a voice in plan governance.
- Maintain the financial integrity of the plan.
- Stabilize contribution rates.

# Primary Strategies

## *What We Will Do To Achieve Our Goals*

***Goal: Enhance the benefits for the members.***

■ **Performance Objectives**

- Add benefits that are affordable for stakeholders
- Increase benefits for workers injured in the line of duty

■ **Key Tactics**

- Propose legislation that improves the plan for the stakeholders
- Compare plans from other states and relevant organizations
- Identify potential revenue sources for benefit enhancements
- Obtain stakeholder input for needed changes in the plan
- Research and monitor federal pension and tax laws

■ **Action Plans**

Action	Lead(s)	Schedule	Status

***Goal: Provide the stakeholders with a voice in plan governance.***

■ **Performance Objectives**

- Develop communication media for the stakeholders
- Maintain stakeholder confidence in the integrity of the plan

■ **Key Tactics**

- Provide opportunities for member communication/feedback
- Make presentations to stakeholder groups
- Solicit information about stakeholder priorities and issues
- Make presentations at public hearings
- Develop a wide range of communication media such as website, newsletter and e-mail
- Inform stakeholders about opportunities for communication/feedback

■ **Action Plans**

Action	Lead(s)	Schedule	Status

***Goal: Maintain the financial integrity of the plan.***

■ **Performance Objectives**

- Establish prudent financial policies.
- Identify additional funding mechanisms

■ **Key Tactics**

- Adopt adequate contribution rates
- Adopt financially sustainable budget for board operations
- Adopt economic assumptions, actuarial tables and cost methodologies
- Commission independent audits
- Research other options for revenue

■ **Action Plans**

Action	Lead(s)	Schedule	Status

***Goal: Stabilize contribution rates.***

■ **Performance Objectives**

- Reduce rate volatility
- Increase the reliability and duration of rate projections

■ **Key Tactics**

- Consult with strategic partners to develop tools to increase rate stability
- Identify best practices from other states and organizations
- Examine opportunities to re-structure the plan to stabilize contributions rates

■ **Action Plans**

Action	Lead(s)	Schedule	Status

# Performance Measures

## *How We Will Measure Our Success*

1. Enhance the benefits for the members.
2. Provide the stakeholders with a voice in plan governance.
3. Maintain the financial integrity of the plan.
4. Stabilize contribution rates.

<b>GOAL</b>	<b>Method of Measurement</b>	<b>Target</b>	<b>Actual July 15, 2004</b>
1	Increased benefits for employees disabled in the line of duty	70% of salary prior to disability	
1	Board proposals that are approved by the Legislature	100% approval rate	
1 & 2	Research supporting proposals	Every proposal includes a research component	
2	Comprehensive communication program with targets and schedule	Plan presented by December 31, 2004	
2	Feedback from the membership	Establish process for gathering input by December 31, 2004 Perform baseline surveying by March 31, 2005	
2 & 3	Independent audits: <ul style="list-style-type: none"> <li>• Board member expenses</li> <li>• Actuary's assumptions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Board expenses—no findings</li> <li>▪ Actuary's assumptions—performed on timely basis</li> </ul>	
3	Deviation from the expected long term cost of the plan	<ul style="list-style-type: none"> <li>▪ Decrease deviation over next two biennium</li> <li>▪ Maintain deviation within 10% of long term cost</li> </ul>	
3	Current and appropriate funding policies	Review, revise and adopt funding policies for LEOFF Plan 2 by December 31, 2005	
3	Funded ratio under actuarial standards	At least 100%	
4	Actual performance vs. projections in key planning areas	Actual expenditures will not exceed projected expenditures	