



STATE OF WASHINGTON

**LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD**

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REGULAR BOARD MEETING
July 28, 2010

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board met in the Boardroom of the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington on July 28, 2010.

Board Members Present:

Kelly Fox, Chair
Darla Hartley
Pat Hepler
Jeff Holy
Mark Johnston
Ryan Martin
Representative Geoff Simpson

Staff Present:

Steve Nelsen, Executive Director
Shawn Merchant, Deputy Director
Jessica Burkhart, Executive Assistant
Tim Valencia, Senior Research and Policy Manager
Greg Deam, Senior Research and Policy Manager
Chad Standifer, Assistant Attorney General

Guests:

Rick Jensen, Washington State Patrol Troopers Association
Bill Hallmark, Independent Actuary – Cheiron
Anne Glaser, Independent Actuary – Cheiron
Marcie Frost, Deputy Director – Department of Retirement Systems
Brian Berghoff, Plan Administrator, DCP – Department of Retirement Systems

Not Present:

Jack Simington, Vice Chair
Greg Cuoio
Glenn Olson

Kelly Fox, Chair, called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:35 a.m. The members took a moment of silence to honor those who had fallen since the last time the Board met.

1) **June 16, 2010 Board Meeting Minutes**

It was moved that the June 16, 2010 Board meeting minutes be adopted as presented. Seconded.

MOTION CARRIED UNANIMOUSLY

2) **Rate Adoption**

Steve Nelsen, Executive Director

- Base Rate
- Supplemental Rate
- Medical Reimbursement Rate

Options:

1. No action – current rates were adopted through June 30, 2013
2. Continue current rates through June 30, 2017

Executive Director Nelsen clarified that adopting contribution rates also meant adopting the new Office of the State Actuary recommended Disability Assumptions.

Discussions: Option 2 with 8.46% and 5.08% (FWEO included) through June 30, 2017.

The Board moved to support Option 2 with 8.46% and 5.08% (FWEO included) through June 30, 2017. Seconded.

MOTION CARRIED UNANIMOUSLY

Executive Director Nelsen explained that the Medical Reimbursement Rate will be carved-out from current rate. This item will require Board action later in the interim.

3) **Administrative Update**

- Select Committee on Pension Policy (SCPP) Update
- Pension Funding Council Update

4) **Department of Retirement Systems (DRS) Update**

Marcie Frost, Deputy Director – DRS

Ms. Frost presented how the CEM data was used in DRS' administration:

- Updated vision statement;
- Nine new value statements; and
- Strategic plan three areas:
 1. Employees – most important assets
 2. Pare back number of new needs
 3. Customer service

Annual Statements

LEOFF Plan 2 members are the only members that received annual statements in other than an online format.

Online Tools:

- Online Retirement Application
- Online video
- Knowledge Management
- Single Sign-On

LEOFF Unit responsive measures:

- Retirement estimate request – process with less than a day
- Correspondences – 98.9% responded within 5 business days
- Walk-ins - greet customers within 2.8 minutes
- Incoming calls – 97% answered within 30 seconds

LEOFF operations:

- Open and honest communication between DRS and LEOFF
- Monthly meetings
- Provide performance data
- Include LEOFF Newsletter with DRS annual statements
- Work together on member handbook

5) **Deferred Compensation Program (DCP) Presentation**

Brian Berghoff, Plan Administrator, DCP – DRS

Mr. Berghoff provided an overview of the features of the State's Deferred Compensation Program. All public employers, including cities, counties, and fire districts, are eligible to join DCP and offer it to their employees. Many LEOFF 2 employers and members are already in DCP. The DRS administrative fee is 0.14% which is very low.

6) **Presumptive Medical – Preliminary Follow-Up Report**

Tim Valencia, Senior Research and Policy Manager

Executive Director Nelsen reminded the Board of the article regarding a Federal Way officer who suffered a heart attack. The topic of creating a presumption that certain heart attacks are duty-related has been discussed by the Board in the past. Mr. Valencia provided a review of prior Board discussions and an update on the status of ongoing medical studies on this topic.

The Board moved for a follow-up report to be presented at an upcoming meeting. Seconded

MOTION CARRIED UNANIMOUSLY

7) **Ombudsman – Preliminary Report**

Tim Valencia, Senior Research and Policy Manager

Mr. Valencia provided a report on various options for assisting disabled members and the families of members who are killed in the line of duty with applying for benefits that may be available from the federal and state government.

Options presented:

1. Create an ombudsman at the LEOFF Plan 2 Board
2. Create an ombudsman at another organization
3. No ombudsman, have DRS provide additional information and assistance.

The Board moved to table the issue until further research is done. Seconded.

MOTION CARRIED UNANIMOUSLY

8) **Agenda Items for Next Meeting**

Chairman Fox stated that if there are no objections, the August 17, 2010 Board meeting would be cancelled. There were no objections and therefore the August 17, 2010 Board meeting will be cancelled.

Agenda items from the August meeting will be moved forward to the September agenda.

Other Agenda Items

Shawn Merchant has accepted the Assistant Director of Policy and Strategic Initiatives position with DRS. Executive Director Nelsen needs approval from OFM for an exemption from the hiring freeze to fill the Deputy Director position.

Mr. Valencia received recognition for earning his designation as a Group Benefits Associate (GBA).

Michelle Fearing, DRS, received the citizen's award from the City of Lakewood for her assistance in processing the accounts of officers who were killed in the line-of-duty.

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for September 22, 2010 from 9:30 a.m. – 3:00 p.m. at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington 98502.

There being no further business, the meeting adjourned at 1:40 p.m.