

Strategic Planning

LEOFF Plan 2 Retirement Board

September 22, 2010

Priority Goals

■ 2006-2010 Goals

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

Priority Goals

■ Continue With Existing Goals or Modify?

2008 – 2009 Action Plan

Action	Goal
1. Study Health Care Proposals	1
2. Adopt Contribution Rates	3
3. Legislative Agenda	
1. Maintain Board adoption of contribution rates and assumptions	3
2. Fish and Wildlife Officers into LEOFF	1
3. Military death benefit	1
4. \$150,000 death benefit inflation adjustment	1
4. Alternate Revenue Source	1 & 3
5. Deferred Compensation Employer Survey	2 & 4
6. Website redesign	2 & 4

2010 – 2011 Action Plan

1. Study Health Care Proposals
 - Carry forward
 - Modify
 - Replace

2010 – 2011 Action Plan

2. Adopt Contribution Rates
 - Completed

2010 – 2011 Action Plan

3. Options for legislative agenda

1. Maintain Board adoption of contribution rates and assumptions
2. Remarriage prohibition
3. Law enforcement officer presumptive medical
4. Furloughs
5. WSP governance
6. LEOFF Plan 1 /Plan 2 funding policy
7. Purchase of annuities
8. Deferred compensation as salary
9. Survivor reduction factors
10. Ombudsman
11. Negative COLAs

2010 – 2011 Action Plan

4. Alternate Revenue Source

- Carry forward
- Modify
- Replace

2010 – 2011 Action Plan

5. Options to Replace Deferred Compensation Employer Survey

1. Furlough employer survey
2. Peer plan comparison

2010 – 2011 Action Plan

6. Website Redesign

- Carry forward
- Modify
- Replace

2010 – 2011 Action Plan

7. Other Action Items

- Annual statement improvements
- Long-term economic assumption adoption
- Follow-up to Office of State Actuary risk analysis
- Board accomplishments

Possible Additional Key Tactics

■ Goal 3

- Board trustee education

■ Goal 4

- Actuarial valuation improvements

Strategic Planning

QUESTIONS?

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

2006 – 2010 STRATEGIC PLAN

Revised: August 4, 2008



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

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.

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.

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

Priority Goals 2006 - 2010

What We Want to Accomplish

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. Inform the stakeholders.

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

Primary Strategies

What We Will Do To Achieve Our Goals

Goal One: Enhance the benefits for the members.

Objectives

- Add benefits that are affordable for stakeholders
- Identify viable alternative revenue sources for benefit enhancements

Key Tactics

- Propose legislation that improves the plan for the stakeholders
- Compare plans from other states and relevant organizations
- Obtain stakeholder input for needed changes in the plan
- Research and monitor Federal pension and tax laws
- Monitor benefits for workers injured in the line of duty
- Assess, evaluate, modify or revise existing benefits

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

Objectives

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

Key Tactics

- Provide opportunities for member communication/feedback
- Take a leadership role in making presentations to stakeholder groups
- Solicit information about stakeholder priorities and issues
- Make presentations at public hearings
- Maintain a wide range of communication media such as Web site, newsletter and e-mail
- Inform stakeholders about opportunities for communication/feedback

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

Goal Three: Maintain the financial integrity of the plan.

Objectives

- Maintain prudent financial policies
- Identify additional funding mechanisms
- Maintain the stability of contribution rates

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
- Identify best practices from other states and organizations
- Consult with strategic partners regarding rate stability
- Ensure the reliability of rate projections
- Provide information on the fiscal reality of the plan

Goal Four: Inform the stakeholders.

Objectives

- Manage expectations
- Increase member understanding of the balance between desired enhancements and fiscal realities
- Increase member understanding of the benefits provided in LEOFF 2 Plan

Tactics

- Provide stakeholder access to understandable fiscal and policy analysis
- Provide additional DRS LEOFF 2 seminars and workshops throughout the state
- Develop simple and direct forms of communication to the members
- Provide comparison information to best practices in other states

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

Performance Measures

How We Will Measure Our Success

Goal	Method of Measurement	Target
4	Seminars and workshops devoted to the priorities of the Board	Make a minimum of five presentations before stakeholders each year Develop plan with DRS to increase the number of seminars – plan developed by December 31, 2008
1	Board proposals that are approved by the Legislature	100% approval rate
1 & 2	Research supporting proposals	Every proposal includes a research component
2 & 4	Comprehensive communication program with targets and schedule	Web site Redesign by December 31, 2009
2 & 4	Feedback from the membership	Perform a survey of employers by December 31, 2008
2 & 3	Independent audits: <ul style="list-style-type: none"> • Board expenses • Actuary's assumptions 	Audit Targets <ul style="list-style-type: none"> • Board expenses—no findings • Actuary's assumptions—performed on timely basis
3	Deviation from the expected long-term cost of the plan	Maintain deviation within 10% of long-term cost
3	Current and appropriate funding policies	Review, revise and adopt funding policies for LEOFF Plan 2 by December 31, 2008
3	Funded ratio under actuarial standards	At least 100%
3	Actual performance vs. projections in key planning areas	Actual expenditures will not exceed projected expenditures
2 & 4	Newsletter	Minimum of two per year
2 & 4	Web site	Provide a report on Web site activity quarterly

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

2008 – 2009 Actions

What We Will Do

Action	Goal
Study Health Care proposals	1
Adopt Contribution Rates	3
Legislative Agenda	
1. Maintain Board adoptions of contribution rates and assumptions	3
2. Fish and Wildlife Officers into LEOFF	1
3. Military Death Benefit	1
4. 150K Inflation Adjustment	1
Alternate Revenue Source	1 & 3
Deferred Compensation Employer Survey	2 & 4
Web site Redesign	2 & 4