



STATE OF WASHINGTON

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

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**REGULAR BOARD MEETING**

**November 10, 2004**

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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 November 10, 2004.

**Board Members Present:**

Kelly Fox, Chair  
Jack Simington, Vice Chair  
Doug Pendergrass  
Doug Cochran  
Mark Johnston  
Maureen Morris  
Michael Edwards  
Pat Hepler  
Representative Geoff Simpson  
Senator Linda Evans Parlette

**Staff Present:**

Steve Nelsen, Executive Director  
Jessica Burkhart, Executive Assistant  
Jeralyn Faulhaber, Administrative Services Manager  
Suzanne Shaw, Assistant Attorney General  
Tim Valencia, Senior Research & Policy Manager

**Guests:**

Steve Davis, Davis Accounting and Auditing Services  
Gayle McGee, Department of Retirement Systems

**Board Members Not Present:**

David Moseley

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Kelly Fox, Chair, called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:47 a.m.

**1) October 27, 2004 Board Meeting Minutes**

*It was moved that the October 27, 2004 Board meeting minutes be adopted as presented. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

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2) **Annual Financial Audit of Expenses**

Steve Davis with Davis Accounting and Audit Services presented the Board with the results of the LEOFF Plan 2 Retirement Board audit of expenses. Mr. Davis' report indicated that the expenditures for the year ending June 30, 2004 are in compliance with all state laws and regulations and federal state requirements.

3) **Internal Audit/Risk Assessment**

Steve Nelsen, Executive Director discussed the agency's Risk Assessment tool and efforts by Board staff to implement the items identified as necessary.

4) **Member Access Presentation**

Gayle McGee with the Department of Retirement Systems (DRS) gave a presentation on Defined Benefit Account Member Access (DB Access). Her report included the background and implementation of DB Access. Ms. McGee also reviewed the process of accessing an online account.

5) **Contribution Rate Stability – Final Proposal**

The Office of the State Actuary provided the Board with a revised letter which discussed Contribution Rate Stability and included information on Weighted Annual Increases.

Mr. Nelsen communicated that the Board can adopt rate proposals by rule or by pursuing legislation. Rule making would allow for notice to all concerned parties, notification in WAC, and public hearings.

*It was moved that the Board pursue a non-legislative process and bring back a Final Proposal on rule making alternatives to the December Board meeting. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

6) **Interruptive Military Service Credit – Final Proposal**

Tim Valencia, Senior Research & Policy Manger provided the Board with a Final Proposal on Interruptive Military Service Credit, a letter from the Department of Retirement Systems, as well as two draft bills authorizing Interruptive Military Service Credit.

*It was moved that this Final Proposal be brought back to the December Board meeting for action. Seconded*

**MOTION CARRIED UNANIMOUSLY**

7) **Purchase of Service Credit/Annuity – Final Proposal**

Steve Nelsen presented a Final Proposal on the Purchase of Service Credit and Annuity which provided background information and policy issues. The Board also reviewed a LEOFF Plan 2 Service Credit Purchase sample calculation as well as a Department of Retirement Systems' Frequently Asked Questions about Purchased Service Credit handout.

Staff will bring back additional information to the December Board meeting for the Board to take action.

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8) **Member Survey**

The Board discussed options regarding an initial member survey. Mr. Nelsen asked for input on what kind of information would be most helpful to them. The following were mentioned as potential survey items:

- Health care
- Survivor benefits
- Financial planning for retirement
- Benefit calculator
- Knowledge base among the membership about their plan

The LEOFF Plan 2 Retirement Board staff will bring back sample questions for the survey to the December Board meeting. Also discussed was placing the first survey into the initial newsletter.

9) **Executive Director Performance Review**

Kelly Fox, Chair updated the Board on activities which took place at the Administrative Committee meeting held earlier that morning. The Executive Director's job duties and responsibilities were discussed as well as possible salary setting options.

10) **November/December 2005 Board Meeting Dates**

The Board was provided alternative meeting dates for November-December 2005.

*It was moved that November 16, 2005 at the Washington Counties Building and December 8, 2005 at the Washington State Investment Board be adopted as meeting dates for the upcoming year. Staff will file the finalized schedule with the Code Reviser's Office and bring back the approved 2005 schedule to the December meeting. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

11) **Administrative Update**

**Select Committee on Pension Policy Update**

Mr. Nelsen updated the Board on issues discussed at the latest Select Committee on Pension Policy (SCPP) meeting.

**December Meeting Agenda**

Mr. Nelsen reviewed the 2004 Agenda Items Calendar and asked if the Board would like a presentation from the State Investment Board on Investment Performance at the December meeting.

Chair Fox asked that items for interim issues be sent to staff in advance to allow time for review and incorporation into the Interim Issues Plan which will be presented at the December meeting.

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**Next Meeting**

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for December 9, 2004 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 11:46 a.m.