



STATE OF WASHINGTON

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

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SPECIAL BOARD MEETING

November 19, 2003

Minutes

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board met at the Department of Information Services Forum Building, Digital Academy Classroom in Olympia, Washington on November 19, 2003.

Board Members Present:

Ted Campbell
Doug Cochran
Kelly Fox, Chair
Pat Hepler
Mark Johnston
Maureen Morris
Dave Moseley
Senator Linda Evans Parlette
Jack Simington, Vice Chair
Representative Geoff Simpson

Board Members Not Present:

Michael Edwards

Kelly Fox, Chair, called the meeting to order at 9:25 a.m.

(1) October 17, 2003 Board Meeting Minutes

It was moved that the October 17, 2003 Board meeting minutes be adopted as written. Seconded.

MOTION CARRIED

(2) Introduction of Interim Executive Assistant

Interim Executive Director, Steve Nelsen, introduced Jeralyn Faulhaber as the Interim Executive Assistant to the Board. Ms. Faulhaber has worked for the Department of Retirement Systems since 1994 and served as Executive Assistant to the Director for almost six of those years.

Mr. Fox asked staff to draft a letter of thanks to Cindy Fetterly and Chris Rose, both from OFM, thanking them for their dedicated service and assistance during the Board's start-up period.

(3) Election of Chair and Vice Chair

The Board determined the positions of Chair and Vice Chair would be appointed for two-year terms and would serve consecutively.

It was moved that Kelly Fox be appointed as Chair through July 2005. Seconded.
MOTION CARRIED

It was moved that Jack Simington be appointed as Vice Chair through July 2005. Seconded.

MOTION CARRIED

(4) 2002 Actuarial Valuation Report

Matt Smith, State Actuary, discussed the results of the 2002 Actuarial Valuation Study. He went on to explain that the Actuary's Office would be introducing legislation, which would add a market value corridor safeguard to the existing asset smoothing method used to determine contribution rates for the state retirement systems. The State Actuary's recommendation is to adopt a 30% market value corridor.

It was moved that the "Smoothing Corridor" legislation be placed on the December agenda for possible action. Seconded.

MOTION CARRIED

(5) Actuarial Support for the Board

Mr. Nelsen presented the Board with contracting options for actuarial services.

It was moved that the Board enter into an interagency agreement with the Office of the State Actuary for actuarial support. Seconded. Mark Johnston opposed the motion.

MOTION CARRIED

(6) Adoption of Supplemental Contribution Rate

Mr. Nelsen explained there would a small cost to the legislation that passed, during the 2003 Legislative Session that transferred Fish and Wildlife Enforcement Officers into LEOFF.

The motion was made to contract for independent actuarial review of the supplemental contribution rate recommended by the Office of the State Actuary. Seconded.

MOTION CARRIED

(7) Process for Bringing Forward Agenda Items

*The motion was made to adopt the Board operating policy on "Agenda Items".
Seconded.*

MOTION CARRIED

Chair Fox asked the Administrative Committee to work with Mr. Nelsen and Ms. Shaw on a policy for bringing forward items requiring legislation, major benefit or plan structure modification or involved research.

It was moved that the policy for bringing forward items of substance be placed on the December agenda for discussion and review. Seconded.

MOTION CARRIED**(8) Duty-Related Disability Withdrawals**

Mr. Nelsen discussed the "Taxation of Duty-Related Disability Benefits" handout and outlined his summary.

It was moved that staff proceed with additional analysis on the "Taxation of Duty-Related Disability Benefits" for further discussion, review and possible action at the December meeting. Seconded.

MOTION CARRIED**(9) Survivor Benefits for Duty-Related Deaths**

Mr. Nelsen discussed the "Death-in-Service Survivor Benefit" handout.

It was moved that staff proceed with additional analysis on the "Survivor Benefits for Duty-Related Deaths" for further discussion, review and possible action at the December meeting. Seconded.

MOTION CARRIED**(10) Ethics Follow-Up**

Ms. Shaw followed up on her previous State Ethics presentation, highlighting specific activities that are prohibited and violate the State Ethics Laws. The Board discussed the potential of additional Ethics Training at a future meeting.

(11) Administrative Update

Ms. Shaw discussed her legal advice outlined in the memo "Authority to Compensate Members for Time Loss From Work on Board Activities".

It was moved that staff draft a letter to employers of those employees affected, asking them to allow for the release of their staff, with pay, to attend Board functions. Seconded.

MOTION CARRIED

The Board asked that bill language for reimbursing Board members and employers for time loss be prepared for the December 17, 2003 Board meeting.

(12) Draft Board Policies

Mr. Nelsen discussed the draft "Board Operating Policies".

*The motion was made to adopt the "Operating Board Policies" as amended.
Seconded.*

MOTION CARRIED

Chair Fox asked staff to prepare the Parliamentary Rules as a handout for the December 17, 2003 meeting to be used as a guide only for the administration of Board meetings.

(13) Future Agenda Items

The following were discussed as review, discussion and possible action agenda items for the December 17, 2004 meeting:

- Executive Director Recruitment
- Work Plan for Statutory Duties of the Board
- Staff Model
- Office Space
- Budget

(14) 2004 Board Meeting Schedule

The Board discussed revising the previously adopted Board Meeting Schedule for 2004.

The motion was made to rescind the previously adopted motion and schedule the LEOFF Plan 2 Board meetings on the fourth Wednesday of each month, with the exception of November and December, which will fall on the second Thursday. All 2004 Board meetings would take place in the Washington State Investment Board's Boardroom. Seconded.

MOTION CARRIED

The November 11, 2004 Board meeting will fall on Veteran's Day. The Board agreed to discuss alternatives to this date at the December 17, 2003 meeting.

(15) Public Comment

The following people delivered comments:

*Bill Hanson, WACOPS
Ed Montermini, RPEC*

Other Discussion

The Board requested that staff investigate various fiduciary educational opportunities, particular those recognized nationally, for future Board training.

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for December 17, 2003 from 9:00 a.m. - 3 p.m. in the John A. Cherberg Building in Senate Conference Rooms A, B and C in Olympia, Washington, Capitol Campus.

The meeting adjourned at 2:25 p.m.