

# BOARD MEETING MINUTES

NOVEMBER 28, 2012 – FINAL MINUTES



## TRUSTEE AND STAFF ATTENDANCE

|               |  |
|---------------|--|
| In Attendance | Mr. Kelly Fox, Chair – Olympia Fire District <b>(Left at 10:00 AM)</b>                         |
| In Attendance | Mr. Jack Simington, Vice Chair – Kennewick Police Department                                   |
| In Attendance | Mr. Ryan Martin – Vancouver Police Department  |
| In Attendance | Mr. Jeff Holy – Spokane Police Department (Retired) <b>(In attendance from 11:30-12:10 PM)</b> |
| Absent        | Mr. Mark Johnson – Vancouver Fire Department   |
| In Attendance | Mr. Pat Hepler – Snohomish County Fire District 1  |
| In Attendance | Mr. Paul Golnik – WA Fire Commissioners Association <b>(Arrived at 9:25 AM)</b>                |
| Absent        | Mr. Glenn Olson – Clark County   |
| Absent        | Mr. David Cline – City of Tukwila  |
| Absent        | Senator Jim Honeyford – WA State Senator   |
| In Attendance | Representative Kevin Van De Wege – WA State Representative <b>(Arrived at 11:00 AM)</b>        |
| In Attendance | Steve Nelsen – Executive Director  |
| In Attendance | Jessica Burkhart – Executive Assistant   |
| In Attendance | Tammy Harman – Administrative Services and Communications Manager                              |
| Absent        | Tim Valencia – Senior Research and Policy Manager  |
| In Attendance | Greg Deam – Senior Research and Policy Manager   |
| In Attendance | Ryan Frost – Research Intern   |
| In Attendance | Dawn Cortez – Assistant Attorney General   |

## CALL TO ORDER

*The LEOFF Plan 2 Retirement Board met in the Washington State Investment Board conference room in Olympia, Washington on Wednesday, November 28, 2012.*

OPENING | Chair Kelly Fox called the meeting to order at 9:09 AM. Due to a network failure, two members were not able to teleconference for the meeting.

## 1. Approval of Minutes

MINUTES APPROVED | *It was moved to approve the Board meeting minutes from October 24, 2012. Motion seconded. The Board approved the minutes without objection.*

## 2. Executive Director – Personnel Issues (Executive Session)

Chair Fox called Executive Session from 9:10-9:30 AM to discuss Executive Director personnel issues. Since a quorum was not present, no motions were made. The Board will discuss this issue again at the December 12, 2012 meeting.

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## 3. Excess Compensation – Initial Consideration

Steve Nelsen, Executive Director, provided a presentation on Excess Compensation. Director Nelsen acknowledged that the Select Committee on Pension Policy (SCPP) is considering legislation which would expand the definition of Excess Compensation for all plans, including LEOFF Plan 2. He reviewed the proposal, policy implications, and potential impacts of making this change.

*Action Taken* | *It was moved to send a letter regarding the Excess Compensation legislation to the SCPP asking for the LEOFF Plan 2 Retirement Board to have input into the process. Motion Seconded and carried unanimously.*

## 4. Electronic Annual Statements

Shawn Merchant, Strategic Initiatives and Policy Manager from the Department of Retirement Systems (DRS) discussed LEOFF Plan 2 Annual Statements. Mr. Merchant explained that LEOFF Plan 2 is the only plan that currently receives paper statements. The cost to the Board for running the statements on an annual basis is \$11,473.84. In March of 2012, DRS implemented an online retirement application. Mr. Merchant explained the Board can save money and paper, while keeping its membership informed by using online activity.

*Discussion* | *The Board will revisit Electronic Annual Statements at the December 12, 2012 meeting.*

## 5. Career Change Educational Briefing

Greg Deam, Senior Research and Policy Manager presented an educational Briefing on Career Change. Mr. Deam explained that retirees who continue in public employment following a separation or retirement from a Washington State pension plan may be restricted from receiving their pension or establishing membership in a second public retirement system.

Mr. Deam also provided statistics from The Retirement Outlook regarding the reasons why individuals choose to work past age 65, retirement policies, and the changing retirement environment due to recession.

## 6. Tuition Reimbursement – Preliminary Report

Greg Deam, Senior Research and Policy Manager provided a Preliminary Report on Tuition Reimbursement. Mr. Deam explained that while the mandatory tuition waiver for duty-related death benefits may not apply to technical colleges, every technical college has implemented a policy which requires mandatory waiver of tuition and fees.

Mr. Deam provided two options for the members to review. The first option for the Board is to take no action

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and allow the technical colleges to waive tuition and fees under their current policies. The second option is for the Board to introduce legislation during the 2013 session that specifically includes technical colleges.

## 7. Administrative Update

### Announcement

Director Nelsen announced that Jeff Holy is now a member of the legislature. He notified the Board that Representative Holy's status change will not affect his membership with the LEOFF Plan 2 Retirement Board.

### Select Committee on Pension Policy (SCPP) Update

Director Nelsen briefed the members on the latest meeting of the SCPP.

### Adoption of 2013 Meeting Dates

The members received a calendar of the 2013 Proposed Meeting Dates.

#### *Action Taken*

*It was moved to adopt the 2013 Proposed Calendar as presented. Motion seconded and carried unanimously.*

### Outreach Update

Director Nelsen provided an update on the outreach efforts that have taken place since the October meeting. Staff presented projected contribution rates at the King County Managers Association meeting in early November.

Two Board members and two staff attended the International Foundation of Employee Benefits Plan Annual Conference for trustee and benefit related education.

### Budget Update

The Office of Financial Management has started preparing a different format for Allotments and Expenditures report. The Board remains under budget and has a large savings due to the Deputy Director position not being filled.

### Administrative Factors

Director Nelsen explained why the adoption of Administrative Factors will be on the Board agenda for the December 12, 2012 meeting.

### Public Disclosure Request

A public disclosure request was made by Jerry Taylor, a LEOFF Plan 1 member asking for an audio version of the October 24, 2012 LEOFF Plan 2 Board meeting.

## 8. Administrative Committee Roles and Responsibilities

#### *Discussion*

*Board members agreed to defer the topic of Administrative Roles and Responsibilities to the December 12, 2012 meeting.*

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## 9. Goals for Communication with Plan Members

*Discussion*

*Board members agreed to defer the topic of Goals for Communication with Plan Members to the December 12, 2012 meeting.*

## 10. Agenda Items for Future Meetings

Director Nelsen reviewed the agenda items that were added to the December meeting agenda during the meeting and also clarified that the following topics were previously on the Agenda Items Calendar:

- Washington State Investment Board Update
- Washington State Institute for Public Policy Pension Study
- Health Care Authority Technical Corrections Legislation
- Labor and Industries Occupational Disease Study

## ADJOURNMENT

*There being no further business, the meeting was adjourned at 12:10 PM.*

NEXT MEETING

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for December 12, 2012 at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502.