



STATE OF WASHINGTON

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

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**REGULAR BOARD MEETING**

December 15, 2010

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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 December 15, 2010.

**Board Members Present:**

Kelly Fox, Chair  
Jack Simington, Vice Chair (Via Teleconference)  
Darla Hartley  
Pat Hepler  
Jeff Holy  
Mark Johnston  
Glenn Olson  
Ryan Martin  
Representative Geoff Simpson

**Staff Present:**

Steve Nelsen, Executive Director  
Courtney Dutra, Deputy Director  
Jessica Burkhart, Executive Assistant  
Greg Deam, Senior Research and Policy Manager  
Allen Nguyen, Developmental Job Assignment  
Chad Standifer, Assistant Attorney General  
Tim Valencia, Senior Research and Policy Manager

**Board Members Absent:**

Greg Cuoio

**Guests**

Marcie Frost, Deputy Director  
Dave Alexander  
Sheila Alexander  
Cathy Cale  
Kumano Creed  
Michelle Fearing  
Dawn Gothro  
Michelle Hardesty

Sharon Houseman  
Alexandra Kasuske-Carroll  
Shawn Merchant  
Dave Nelsen  
Nancy Rushton  
Paul Vernon  
Ken Woods

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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 9:30 a.m.

**1) October 27, 2010 Board Meeting Minutes**

*It was moved that the October 27, 2010 Board meeting minutes be adopted as presented. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

**2) Medical Reimbursement Accounting Authorization  
Steve Nelsen, Executive Director**

Director Nelsen provided an overview of *Medical Reimbursement Accounting Authorization*. The Department of Retirement Systems (DRS) and the LEOFF staff have been coordinating efforts to implement accounting changes for the 401(h) account. Mr. Nelsen stated the accounting changes would begin paying medical expenses for survivors killed in the course of employment.

*The Board moved to authorize DRS to implement accounting changes for the 401 (h) account. The changes will become effective in April 2011. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

**3) Presumptive Medical – Final Proposal  
Tim Valencia, Senior Research and Policy Manager**

Tim Valencia provided a report and presentation on *Presumptive Medical*. Mr. Valencia stated that law enforcement officers in LEOFF Plan 2 do not have any occupational illness and injury presumptions. He explained fire fighters currently have heart, respiratory, cancer, and disease presumptions. However, these presumptions do not apply to law enforcement officers.

Mr. Valencia's proposal reviewed a presumption for heart attacks and strokes modeling the federal Public Safety Officers' Benefits (PSOB) presumption. The heart presumption covers law enforcement officers in LEOFF Plan 2 and the Washington State Patrol. The stroke presumption covers law enforcement officers and fire fighters in LEOFF Plan 2 and the Washington State Patrol.

Bill draft language (Z-0216.1) was provided to the members for their review.

*The Board moved to recommend the Presumptive Medical proposal to the 2011 Legislature. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

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4) **Duty Related Death Benefits – Final Proposal**

**Tim Valencia, Senior Research and Policy Manager**

Tim Valencia provided a presentation and report on *Duty Related Death Benefits*. Mr. Valencia explained surviving spouses of a member killed in the course of employment who are receiving worker's compensation death benefits cannot continue to receive the monthly benefit after remarriage.

He provided bill draft language (Z0215.1 and Z0374.1) and the following options:

<b>Option #1</b>	Continuation of worker's compensation benefits upon registration on state domestic partnership registry and access to domestic partner benefits. This proposal will not have a material impact on LEOFF Plan 2.
<b>Option #2</b>	Eliminate the remarriage prohibition (continuation of worker's compensation benefits upon remarriage) and surviving spouses who have already had their benefits suspended due to remarriage will have the benefits resume again.

*The Board moved to adopt Option #2, which eliminates the remarriage prohibition. This legislation will be carried out during the 2011 legislative session. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

5) **Ombudsman – Final Proposal**

**Tim Valencia, Senior Research and Policy Manager**

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

The option would be to add a staff position within the LEOFF Plan 2 Retirement Board with the purpose of providing information and assistance in regard to various local, state, and federal benefits that may be available.

*The Board moved to defer the topic of Ombudsman until the 2011 interim for further studies and future consideration. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

6) **Administrative Update**

- **Select Committee on Pension Policy (SCPP) Update**

Director Nelsen reported on the latest SCPP meeting. There were two topics of interest for LEOFF Plan 2. Director Nelsen testified on the issue of constitutional amendment to pensions. He asked to be included in further considerations. The SCPP also presented the topic of furloughs.

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

Director Nelsen provided an update on the latest coordination with DRS. Michelle Fearing was acknowledged and thanked for her superior customer service.

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Alexandra Kasuske-Carroll was welcomed as the new DRS LEOFF Plan 2 Administrator.

- **Adoption of 2011 Meeting Calendar**

The Board members were given a 2011 Meeting Calendar to review.

*The Board members adopted the proposed 2011 meeting calendar. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

**7) Furloughs – Final Proposal**

***Greg Deam, Senior Research and Policy Manager***

Mr. Deam presented a Final Proposal on the topic of *Furloughs*. The report provided a review of members who either voluntarily or involuntarily take unpaid leave as a result of the current economic condition and how their retirement benefits may be adversely affected if it occurs during their Final Average Salary period.

He gave each member a copy of Senate Bill 6157 and Engrossed Substitute Senate Bill 6503, as well as copies of the coordinating fiscal notes which relate to furloughs and ran during the 2009 legislative session.

Mr. Deam also provided current bill draft language (Z-0214.1).

*The Board moved to defer the topic of Furloughs until the 2011 interim for further studies and future consideration. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

**8) Purchase of Annuity – Final Proposal**

***Greg Deam, Senior Research and Policy Manager***

Greg Deam presented a Final Proposal on *Purchase of Annuity*. He explained the issue of members who have assets in excess of the purchase cost for the maximum five years of service credit currently allowed in statute and how these individuals may need another avenue to invest those assets.

Mr. Deam provided draft bill language (Z-0216.1) and recommended the Board introduce legislation allowing LEOFF 2 retirees to purchase an actuarially equivalent life annuity from the LEOFF Plan 2 fund.

*The Board moved to defer Purchase of Annuity until the 2011 interim for further studies and future consideration. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

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- 9) **WSPRS Governance – Preliminary Report**  
**Greg Deam, Senior Research and Policy Manager**  
Greg Deam provided a summary of the *Washington State Patrol Retirement System (WSPRS) Governance Proposal*.

**PUBLIC TESTIMONY:**

Davor Gjurasic provided testimony to the Board. As a representative of the Washington State Patrol Troopers Association (WSPTA), he requested the Board table the topic of WSPRS Governance until after the 2011 session.

*At the request of the WSPTA, the Board moved to defer the issue of WSPRS Governance until the 2011 interim. Seconded.*

**MOTION CARRIED UNANIMOUSLY**

- 10) **Agenda Items for Next Meeting**  
Director Nelsen reviewed the topics for the 2011 interim with the Board members. A new Agenda Items Calendar will be available at the next meeting.

**Next Meeting**

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for April 27, 2011 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 11:15 a.m.