

BOARD MEETING MINUTES

MARCH 23, 2022 – FINAL



TRUSTEE AND STAFF ATTENDANCE

Absent	Dennis Lawson, Chair – Central Pierce Fire and Rescue
In Attendance	Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Mark Johnston – Vancouver Fire Department
In Attendance	AJ Johnson – Snohomish County Fire District #1
In Attendance	Senator Jeff Holy – Spokane Police Department (Retired)
In Attendance	Tarina Rose-Watson – Spokane Int’l Airport Police Dept
In Attendance	Wolf Opitz – Pierce County
In Attendance	Pat McElligott – City of Dupont
In Attendance	Representative Steve Bergquist – WA State Representative
In Attendance	Senator Ann Rivers – WA State Senator
In Attendance	Jay Burney – City of Olympia
In Attendance	Steve Nelsen – Executive Director
In Attendance	Tim Valencia – Deputy Director
In Attendance	Jessie Jackson – Executive Assistant
In Attendance	Jessica Burkhart – Administrative Services Manager
In Attendance	Tammy Sadler – Benefits Ombudsman
In Attendance	Jacob White – Senior Research and Policy Manager
In Attendance	Sarah White – Benefits Ombudsman
In Attendance	Karen Durant – Senior Research and Policy Manager
In Attendance	Tor Jernudd – Assistant Attorney General

Call to Order

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on March 23, 2022. A quorum of the members was present at this meeting.

Vice Chair Jason Granneman called the meeting to order at 9:30AM and requested those present to take a moment of silence to honor those who had fallen since the last the Board meeting.

1. Approval of Minutes

Minutes from the December 2021, January 2022 and February 2022 board meetings are before the Board for consideration.

ACTION	It was moved to approve the Board meeting minutes from December 2021, January 2022 and February 2022. Motion seconded. The Board approved the minutes without objection.
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2. Accountability Audit Results

Erik Simonson, Assistant State Auditor, Carol Gross, Assistant Audit Manager and Scott Bills, Audit Manager from the State Auditor’s Office presented the Exit Conference to the Board and results from the Accountability Audit.

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In those selected areas, Board operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources. The Auditor's Report will be published in the next 2 weeks.

3. Accountability Audit Response Plan

Tim Valencia, Deputy Director reviewed the agency's corrective action plan to address the Auditor's recommendations for improvement. Staff will provide clear instructions to the Chair to make sure OPMA protocols regarding executive session are followed during meetings. Later this interim Tor Jernudd, AAG will give an annual presentation on the OPMA training recommended by the State Auditor's Office. A second review check on the meeting minutes to ensure the audio and minutes match will occur as well. Verbal recommendations were given regarding documentation and reporting of employee recognition awards, documentation of out of state lodging, and participation in the Commute Trip Reduction program. Staff will be applying these recommendations to their processes.

4. Legislative Session Review

Jacob White, Senior Research and Policy Manager gave a review of the 2021 legislative session which ended March 10th.

LEOFF 2 Benefit Improvement Bill

HB 1701 – Passed legislature and is awaiting signature by the Governor. This bill purchases LEOFF 2 benefit improvements using the Benefit Improvement Account. New benefits begin January 16, 2023.

Roth Option for Deferred Compensation Plan

HB 1752 – Passed legislature and is awaiting signature by the Governor. Creates a Roth 457 option that will be available by December 1, 2023.

Interruptive Military Service Credit

HB 1804 – Did not pass. Passed out of house of origin (yeas, 96; nays, 0) and Senate Ways and Means, but did not make it out of Senate Rules Committee.

SB 5726 – Did not pass. Passed out of house of origin (yeas, 49; nays, 0) but did not receive a hearing in House Appropriations.

Budget

LEOFF 2 state contributions are fully funded

DRS Funding

- Administration of LEOFF 2 bills is fully funded
- Additional FTEs for increase in retirements –11.3 FTEs

Other Bills of Interest

SB 5791 – LEOFF 1 Benefit Improvement

- SCPP Bills
- HB 1669 -PSERS Disability Benefits
- SB 5676 –PERS/TRS Plan 1 COLAs

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5. Adoption of Administrative Factors

Jacob White, Senior Research and Policy Manager gave an initial presentation to the Board on Administrative Factors. The Board will be asked to adopt administrative factors at the April 27th board meeting. These factors were last adopted in 2018. New factors would go into effect December 1, 2022. No action was taken.

6. Interim Planning

Jacob White, Senior Research and Policy Manager reviewed the administrative and actuarial responsibilities of the Board for the draft interim plan. Adoption of the interim plan will be before the Board at the April 27th meeting. No action was taken.

Benefit Topics

1. Interruptive Military Service Credit
2. Benefit Improvement Follow-up
3. Survivor Option Reelection Follow-up
4. Career Change Possible Educational Briefing
5. Inflation/COLA Possible Educational Briefing

Actuarial Topics

1. Adoption of Administrative Factors (March/April)
2. Results of the Actuarial Valuation
3. Possible Contribution Rate Adoption

Administrative Topics

1. Interim Planning (April/May)
2. AGO Training – OPMA
3. 2023-2025 Agency Operating Budget (July)
4. DRS/CEM Benchmarking (Sept)
5. DRS Annual Update (Nov)
6. WSIB Annual Update (Dec)
7. Strategic Planning & Board Expectations (Oct)

7. Administrative Update

Steve Nelsen, Executive Director gave an administrative update to the Board.

Outreach Activities – The WSCFF Educational Seminar is the week of April 18th in Vancouver, and staff will attend and provide an outreach table to answer questions.

Agency Return to Office Plan – Staff will return to the office 3 days a week in April, with coverage in the office Monday – Friday.

Hybrid Board Meetings – The April 27th board meeting will be a hybrid meeting held at the Washington State Investment Board.

DRS is communicating with Catastrophically Disabled LEOFF members regarding their eligibility and will be doing financial reviews.

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Senator Holy requested an educational briefing on a potential benefit topic of the implementation of duty related disabilities.

AJ Johnson asked the Board about the possibility of changing the June 22nd meeting to June 15th. Board members were asked to check their schedules and discuss it further at the April 27th meeting.

Adjournment

There being no further business, a motion was made to adjourn. Motion was seconded. The meeting was adjourned at 10:36am.

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for April 27, 2022 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.