

BOARD MEETING MINUTES

JUNE 28, 2028 – DRAFT



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Dennis Lawson, Chair – Central Pierce Fire and Rescue
Teleconference	Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Mark Johnston – Vancouver Fire Department
Teleconference	AJ Johnson – Snohomish County Fire District #1
In Attendance	Senator Jeff Holy – Spokane Police Department (Retired)
Teleconference	Tarina Rose-Watson – Spokane Int’l Airport Police Dept
Absent	Wolf Opitz – Pierce County
Absent	Pat McElligott – East Pierce County Fire
Absent	Representative Steve Bergquist – WA State Representative
Absent	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
Absent	Tammy Sadler – Benefits Ombudsman
In Attendance	Jacob White – Senior Research and Policy Manager
Teleconference	Sarah White – Benefits Ombudsman
In Attendance	Karen Durant – Senior Research and Policy Manager
Teleconference	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 June 28, 2023. A quorum of the members was present at this meeting.

Chair Dennis Lawson called the meeting to order at 9:31AM 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

The minutes from the May meeting are before the Board for consideration.

ACTION | It was moved to approve the Board meeting minutes from May 17, 2023. Motion seconded. The Board approved the minutes without objection.

2. OSA Request Legislation

Matt Smith, State Actuary from the Office of the State Actuary presented draft request legislation for the 2024 session to the Board for feedback as a stakeholder. Final request legislation can be brought back to the Board later in the interim if there is interest in co-recommending this legislature.

ACTION | It was moved and seconded to place this issue as follow up on the November agenda. Motion passed unanimously.

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3. Firefighter Definition Briefing

Jacob White, Sr. Research and Policy Manager gave an initial presentation to the Board on the topic of Definition of Firefighter. Some promotional positions within a fire department may be considered PERS positions by the Department of Retirement Systems which may limit the employer's ability to fill those positions.

The options before the Board are:

1. Receive a comprehensive briefing on the topic
2. Wait to decide on further briefings until initial briefings on additional topics have been received

ACTION

It was moved and seconded to have staff prepare a comprehensive briefing. Motion passed unanimously.

4. Supplemental Rate Preview

Jacob White, Sr. Research and Policy Manager presented a Supplemental Rate preview and history to the Board. A supplemental rate may be necessary due to the passage of the Interruptive Military Service Credit Bill (SHB 1007). For 2021-2023 and 2023-2025 fiscal biennia, contribution rates for the LEOFF Plan 2 system may not exceed the rates adopted by the LEOFF 2 Board in 2020. Normally the Board would audit fiscal note and have options to adopt a supplemental rate. Due to the benefit improvement rate freeze the Board cannot raise rates at this time. Increased costs to the plan will be included in 2023 rate setting valuation for 2025-2027 biennium. No action is required by the Board today.

5. Interim Workplan Adoption

Jacob White, Sr. Research and Policy Manager reviewed the items on the interim workplan for consideration by the Board. The regular Actuarial and Administrative items have been scheduled for the following months:

1. OSA Request Legislation (June)
 2. Supplemental Rate Adoption (June, July)
 3. Long-term Economic Assumptions (Sept) and Report on Financial Condition (Nov)
 4. Off-Cycle Actuarial Valuation Report Results (Oct)
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1. Interim Planning (April, May, June)
 2. Agency Operating Budget (July)
 3. Election of Officers (July)
 4. AGO Training (Sept)
 5. DRS/CEM Benchmarking (Sept)
 6. Board Staff Succession Planning (Oct)
 7. Board Strategic Planning and Expectations (Oct)
 7. Recruitment, Retention, Salary Setting Structure for Board Staff (Oct)
 8. 2024 Meeting Calendar (Nov)
 9. DRS Annual Update (Nov)
 10. Financial Expenditure Audit Results (Nov)
 11. WSIB Annual Update (Dec)

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The following Benefit topics are before the Board for consideration to move forward on the workplan:

1. Firefighter Definition (June, Nov*, Dec*)
2. Overpayment Responsibility
3. BIA Tiered Multiplier Date
4. BIA Retirees Reestablishing Membership
5. Lump Sum Special Death Benefit
6. Taxation of Catastrophic Disability Benefits
7. DRS Admin Fees/UAAL Charges for Purchasing Service Credit
8. DRS Appeal Deadlines
9. Survivor Reelection Window
10. Use of leave/Non-duty disability
11. Holiday Payments
12. Non-duty to Duty Disability Conversions
13. COLA/Inflation Update
14. DROP Update
15. Part-time LEOFF Members
16. Secure Act 2.0
17. Benchmarking Peer Comparison

ACTION	It was moved and seconded to move the topic of Overpayment Responsibility to an initial study. Motion passed unanimously.
ACTION	It was moved and seconded <i>not to move forward</i> the topic of BIA Tiered Multiplier Date. Motion passed unanimously.
ACTION	It was moved and seconded <i>not to move forward</i> the topic of BIA Retirees Reestablishing Membership. Motion passed unanimously.
ACTION	It was moved and seconded to move forward the topic of Lump Sum Special Death Benefit to an initial study. Motion passed unanimously.
ACTION	It was moved and seconded to move forward the topic of Taxation of Catastrophic Disability Benefits. Motion passed unanimously.
ACTION	It was moved and seconded <i>not to move forward</i> the topic of DRS Admin Fees/UAAL charges to members for Purchasing Service Credit. Motion passed unanimously.
ACTION	It was moved and seconded to move forward the topic of DRS Appeal Deadlines to an initial study. Motion passed unanimously.
ACTION	It was moved and seconded <i>not to move forward</i> the topic of Survivor Reelection Window. Motion passed unanimously.
ACTION	It was moved and seconded to move forward the topic of Use of Leave/Non-duty disability to an initial study. Motion passed unanimously.
ACTION	It was moved and seconded to move forward the topic of Holiday Payments to an initial study. Motion passed unanimously.
ACTION	It was moved and seconded to move forward the topic of Non-duty to Duty Disability Conversions to an initial study. Motion passed unanimously.
ACTION	It was moved and seconded <i>not to move forward</i> the topic of COLA/Inflation Update. Motion passed unanimously.
ACTION	It was moved and seconded <i>not to move forward</i> the topic of Deferred Retirement Option Plan (DROP). Motion passed unanimously.

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ACTION	It was moved and seconded to move forward the topic of Part-time LEOFF Members to an initial briefing. Motion passed unanimously.
ACTION	It was moved and seconded to move forward the topic of Secure Act 2.0 to an initial briefing. Motion passed unanimously.
ACTION	It was moved and seconded to move forward the topic of Benchmarking Peer Comparison to an informational briefing for October. Motion passed unanimously.

6. Agency Biennial Operating Budget

Karen Durant, Sr. Research and Policy Manager presented an overview of the agency budget spending plan and changes from the 2023 legislative session.

Options before the Board are:

1. Adopt the presented expenditure spending plan as presented
2. Do not adopt the spending plan

ACTION | It was moved and seconded to adopt the presented expenditure spending plan as presented. Motion passed unanimously.

7. Administrative Update

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

Jacob White and Tammy Sadler attended the WSCFF Annual Convention and provided an outreach table to answer members questions.

We will be starting the annual Expectation Interviews with Director Nelsen and Trustees. Jessie Jackson will be contacting Trustees to schedule these.

July 1, 2023 is the 20th anniversary of the LEOFF Plan 2 Retirement Board agency being founded. Trustee Mark Johnston is an original member and was presented with a challenge coin.

ACTION | It was moved and seconded to cancel the August meeting. Motion passed unanimously.

8. Public Comment

The LEOFF 2 Board welcomes public comment in advance of all meetings and has posted instructions on its website for the submission of written comments.

Staff received comments from Ron Gershwind regarding the BIA Tiered Multiplier Date and distributed that comment to all board members in advance of today's meeting.

Public comments were taken during the meeting from Ron Gershwind and Teresa Taylor, Executive Director of WACOPS.

Adjournment

There being no further business, it was moved and seconded to adjourn. Motion passed unanimously. The meeting was adjourned at 12:03PM.

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for July 26, 2023 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.