

BOARD MEETING MINUTES

JUNE 17, 2024 - FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Dennis Lawson, Chair – Central Pierce Fire and Rescue
Absent	Jason Granneman, Vice Chair – Clark County Sheriff’s Office
Teleconference	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
Teleconference	Wolf Opitz – Pierce County
In Attendance	Pat McElligott – East Pierce County Fire
In Attendance	Representative Steve Bergquist – WA State Representative
In Attendance	Darell Stidham – Spokane County Sheriff’s Office
Absent	Jay Burney – City of Olympia
In Attendance	Steve Nelsen – Executive Director
In Attendance	Tim Valencia – Deputy Director
In Attendance	Chloe Drawsby – Executive Assistant
In Attendance	Jessie Jackson – Administrative Services Manager
In Attendance	Tammy Sadler – Benefits Ombudsman
In Attendance	Jacob White – Senior Research and Policy Manager
In Attendance	Jessica Burkhart – Ombudsman Program Manager
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 June 17, 2024. A quorum of the members was present at this meeting.

Chair Dennis Lawson called the meeting to order at 9:30 a.m. 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 May 2024 Minutes

The minutes from the May 29, 2024, meeting are before the Board for consideration.

ACTION	It was moved to approve the Board meeting minutes from May 29, 2024. Motion seconded. The Board approved the May minutes without objection.
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2. LAVR/ Contribution Rate Presentation – Office of the State Actuary

Mitch DeCamp and Sarah Baker, Senior Actuarial Analysts at The Office of the State Actuary (OSA) gave a contribution rate presentation to the Board for review. Mr. DeCamp and Mrs. Baker presented on the background of the actuarial valuation cycle and the 2023 Preliminary Actuarial Valuation Report results. The Board was not asked to take action today. Board action will be made by the Board to adopt contribution rates at the July board meeting.

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3. Salary Setting Responsibility

Karen Durant, Senior Research and Policy Manager presented to the Board regarding salary setting responsibility. The LEOFF Board expressed interest in being able to set staff salaries in support of their fiduciary responsibilities. The LEOFF Board requested legislation to exempt LEOFF staff from civil service, allowing the Board authority to set salaries (HB 2337/ SB 6198). During session, the salary setting bill was amended and merged into the Board LEOFF 2 bill (SSB 6197).

Options presented to the Board:

1. Consultation parameters identified.
2. Motion for contract for a third-party vendor.

ACTION

It was moved and seconded to move forward with a third-party vendor for market analysis and a salary survey. Motion passed without objection.

4. Standby Pay – Initial Consideration

Jacob White, Senior Research and Policy Manager gave an initial presentation to the Board regarding standby pay. Standby pay is not considered basic salary for LEOFF 2 members, while it is for PERS and PSERS members. Standby pay is not considered basic salary in LEOFF 2 because it is not specifically identified as earnable compensation in law and because the Department of Retirement Systems (DRS) has determined that it does not fall under the general definition of 'compensation for services rendered.'

ACTION

The Board motioned for a comprehensive briefing no later than November. Motion was seconded. Motion passed with a vote of 'yes' from Senator Holy, Darell Stidham, Pat McElligott, Representative Bergquist, Tarina Rose-Watson, AJ Johnson, Wolf Opitz, and a vote of 'no' by Mark Johnston. Motion passed with objection.

5. Fiduciary Training: Open Public Meeting Act

Morgan Damerow, Open Governments Ombuds trained the Board concerning the Open Public Meeting Act (OPMA). Mr. Damerow provided the Board with information on the significance of open government and transparency. This presentation given by Mr. Damerow was an educational presentation only and was not legal advice or a legal opinion. The OPMA changes over time. Changes in the statute can impact the law, an agency's obligations, and the expectations on individuals. The OPMA is one of Washington's transparency laws, otherwise known as sunshine laws. The OPMA is to be liberally construed to effectuate its purpose, expectations are narrowly confined. It's intended to guarantee public access to participation in the activities of the representative agencies.

6. Administrative Update

Steve Nelsen, Executive Director provided the Board an administrative update. Mr. Nelsen reported that the LEOFF newsletter will be published and sent out to Board members in mid-August. Mr. Nelsen also covered upcoming outreach and upcoming fiduciary education. The Washington State Council of Firefighters (WSCFF) will hold their Annual Convention at the end of June 2024 in Vancouver, Washington. Tim Valencia, Jacob White, Tammy Sadler, and Jessica Burkhart will attend and provide an outreach table for the convention.

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International Foundation of Employee Benefit Plans (IFEBP) will hold their 70th Annual Employees Benefits Conference at the beginning of November 2024 in San Diego, California. IFEBP will also hold their Certificate of Achievement in Public Plan Policy (CAPPP) parts 1 and 2 at the end of July 2024 in Boston, Massachusetts.

7. 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 no comments/public comment in advance of today's meeting for distribution to the Board.

Adjournment

There being no further business, the meeting was adjourned at 12:41 p.m.

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for July 24, 2024 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.