

BOARD MEETING MINUTES

DECEMBER 17, 2025 - FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Dennis Lawson, Chair – Central Pierce Fire & Rescue (Retired)
Teleconference	Jason Granneman, Vice Chair – Clark County Sheriff’s Office (Retired)
Teleconference	Ryan Reese – Clark County Fire
Teleconference	AJ Johnson – Snohomish County Fire District #1
In Attendance	Senator Jeff Holy – WA State Senator
In Attendance	Chris Tracy – Tacoma Police
Absent	Wolf Opitz – Pierce County (Retired)
In Attendance	Pat McElligott – East Pierce County Fire & Rescue
In Attendance	Representative Steve Bergquist – WA State Representative
In Attendance	Darell Stidham – Spokane County Sheriff’s Office (Retired)
In Attendance	Jay Burney – City of Olympia
In Attendance	Steve Nelsen – Executive Director
In Attendance	Tim Valencia – Deputy Director
Teleconference	Chloe Drawsby – Executive Assistant
In Attendance	Jessie Jackson – Administrative Services Manager
In Attendance	Tammy Sadler – Lead Benefits Ombudsman
In Attendance	Jacob White – Senior Research and Policy Manager
In Attendance	Jessica Burkhart – Benefits Ombudsman
In Attendance	Karen Durant – Senior Research and Policy Manager
In Attendance	Kate Adams – Assistant Attorney General

Call to Order

The LEOFF Plan 2 Retirement Board convened in the Washington State Investment Board conference room in Olympia, Washington, on December 17, 2025, with a quorum of members in attendance.

Chair Dennis Lawson called the meeting to order at 9:32 a.m. and asked those present to observe a moment of silence in honor of individuals who had passed away since the previous board meeting.

1. Approval of Minutes

The LEOFF Plan 2 November 2025 meeting minutes are presented to the Board for consideration and approval.

ACTION | A motion was made to approve the November 2025 meeting minutes and was seconded. The Board approved the minutes without objection.

2. WSIB Annual Update

Government and Public Affairs Director David Schumacher of the Washington State Investment Board (WSIB) delivered the Board’s annual update, providing an overview of key activities and developments over the past year. His presentation included highlights of WSIB’s public affairs efforts and policy considerations. Following the presentation and discussion, no action was taken by the Board.

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3. 2024 Financial Audit Report - SAO

Representatives from the Washington State Auditor’s Office (SAO) presented the 2024 Financial Audit Report to the Board. Desiree Rennau, Assistant State Auditor; Cavan Busch, Program Manager; and Scott Bills, Financial Audit Specialist, reported that the audit resulted in a clean opinion for 2024, with no findings or recommendations. Additional information and the full audit results are available on the SAO website.

ACTION | No action was taken by the Board at today’s meeting.

4. Actuarial Audit of Demographic Experience Study – Milliman

Ryan Falls and Scott Preppernau, Principal and Consulting Actuaries with Milliman, presented a comprehensive review of the Actuarial Audit of the Demographic Experience Study. Their presentation outlined the scope of the audit, including an evaluation of key demographic assumptions. The presenters responded to Board questions and provided context on how the findings may inform future actuarial analyses.

ACTION | No action was taken by the Board at today’s meeting.

5. Adoption of Long-Term Economic Assumptions

Jacob White, Senior Research and Policy Manager, facilitated the Board’s consideration and adoption of the Long-Term Economic Assumptions. As part of its statutory responsibilities, the Board reviews and adopts these assumptions on a biennial basis.

Board Action:

1. Adopt the recommended assumption changes
2. Do not adopt the recommended assumptions changes

ACTION | A motion was made and seconded to adopt the recommended assumption changes under Option #1. The motion carried, and the Board approved the adoption without objection.

6. Adoptions of Demographic Experience Study Assumptions

Jacob White, Senior Research and Policy Manager, facilitated the Board’s consideration and adoption of the Demographic Experience Study Assumptions. As part of its statutory responsibilities, the Board reviews and adopts these assumptions every six years.

Board Action:

1. Adopt the recommended assumption changes
2. Do not adopt the recommended assumptions changes

ACTION | A motion was made and seconded to adopt the recommended assumption changes under Option #1. Following discussion, the motion carried and was approved without objection by the Board.

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7. Surviving Spouse Medical Reimbursements – Final Proposal

Jacob White, Senior Research and Policy Manager, presented a final proposal to the Board regarding Surviving Spouse Medical Reimbursements. He outlined existing gaps and inconsistencies in the reimbursement of medical insurance premiums for surviving spouses of members who died in the line of duty. His presentation included a summary of current policies and proposed changes aimed at improving process.

Next steps before the Board:

1. Motion to endorse legislation. Board may choose any combination of the 3 provisions below:
 - 1) Reimburse surviving spouses of LODD for Medicare premiums
 - 2) Provide surviving spouses of LODD the option to opt out of PEBB and have the same medical insurance premium reimbursement options as Catastrophic Disability retirees; and/or
 - 3) Reimburse surviving spouses of LODD for medical insurance premiums paid during delays in a member death being determined line of duty
2. No further action

ACTION

A motion was made and seconded to adopt Option #1 (sections 1 and 3 only). Representative Steve Bergquist proposed amending the bill so that it was broad enough that the bill could be amended during session to include Washington State Troopers or other emergency services personnel. Rep. Bergquist title change was accepted, and the motion, as amended, passed without objection.

8. Catastrophic Disability Survivor Benefits – Final Proposal

Jacob White, Senior Research and Policy Manager, presented a final proposal to the Board regarding Catastrophic Disability Survivor Benefits. He explained that there are policy inconsistencies in the administration of Joint and Survivor (J&S) benefits for survivors of catastrophic disability retirees, particularly when compared to J&S benefits provided to other LEOFF Plan 2 survivors. Mr. White noted that in some cases, J&S benefits for catastrophic disability retirees are not calculated based on the pension amount the retiree was receiving at the time of death.

Board Action:

1. Endorse bill draft
2. Direct staff to provide written comment identifying concerns to DRS for rulemaking process
3. No further action

ACTION

A motion was made and seconded to adopt Option #2, directing staff to provide written comments to the Department of Retirement Systems (DRS) for consideration in the rulemaking process. The motion carried, and Option #2 was approved without objection.

9. Standby Pay – Final Proposal

Jacob White, Senior Research and Policy Manager, gave a final proposal 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. Adding standby pay to the definition of basic salary has pros and cons. Pro being it aligns

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LEOFF 2 with other state pension plans. Con being it Increases costs of the plan. “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”.

Possible Board Action:

1. Endorse legislation
2. No action

ACTION | A motion was made and seconded to adopt Option #1, endorsing legislation. The motion passed without objection.

10. Ombudsman Program Annual Report

Tammy Sadler, Lead Benefits Ombudsman, presented the annual report to the Board. She reviewed the mission of the Ombuds Program, which is to provide LEOFF Plan 2 members and their families with confidential, impartial assistance in identifying and obtaining benefits and services they may be eligible for. She noted that participation in the program is voluntary and funded by LEOFF Plan 2.

Mrs. Sadler also highlighted common challenges faced by members, explaining that many are unaware of the full range of benefits available to them and often find it difficult to navigate the processes required to access those benefits.

ACTION | No action taken by the Board today.

11. Admin Update

Jacob White, Senior Research and Policy Manager, provided an administrative update to the Board. His report included recent agency updates, fiduciary education activities, and ongoing stakeholder outreach efforts.

Mr. White shared that the LEOFF Plan 2 Board received the 2025 Public Pension Coordinating Council (PPCC) Funding Award Certificate, marking the 11th consecutive year the Board has earned this recognition. He also acknowledged Steve Nelsen’s final interim meeting before his retirement and extended congratulations on his service. Mr. White noted that Kathryn Leather, Director of the Department of Retirement Systems (DRS), submitted a letter to the Board regarding potential legislation for the upcoming interim.

Mr. White emphasized the importance of stakeholder outreach as a key part of the Board’s engagement efforts. He highlighted two upcoming events: the Washington State Council of Firefighters (WSCFF) Kelly Fox Legislative Conference, scheduled for January 26–27, 2026, in Olympia, Washington, and the Washington State Council of Police and Sheriffs’ Winter Meeting, scheduled for February 4–6, 2026, also in Olympia.

ACTION | No action was taken by the Board.

12. Public Comment

The LEOFF Plan 2 Board welcomes public comment in advance of all meetings and provides instructions on its website for submitting written comments.

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The Board received correspondence from Kathryn Leather regarding potential upcoming legislation. Additionally, the Board received correspondence from Christy McLellan concerning surviving spouse benefits.

ACTION | No action was taken by the Board today.

13. Executive Session – to discuss the performance of a public employee.

The Board will enter Executive Session at 12:00 p.m. to discuss the performance of a public employee, Director Steve Nelsen. Trustees attending in person will move to a private boardroom, while those participating virtually will exit the main meeting and join the separate link for the Administrative Committee meeting. The regular open public meeting will reconvene at 12:30 p.m.

ACTION | Chair Dennis Lawson announced that the Executive Session would begin at 12:00 p.m. on December 17, 2025, with the public meeting scheduled to reconvene at 12:30 p.m.

14. Final Evaluation Wrap-Up

Chair Dennis Lawson provided a final review of Director Steve Nelsen’s performance evaluation prior to his retirement. A motion was made to adopt Mr. Nelsen’s new salary of \$197,320.00, effective December 17, 2025. The motion passed without objection.

ACTION | It was motioned to increase Executive Director Nelsen’s salary to the level the Board adopted for the future Executive Director of \$197,320 effective December 17, 2025. Motioned seconded. Motion carries.

Adjournment

There being no further business, the meeting was adjourned at 12:37 p.m.

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for January 21, 2026, at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W. Olympia, WA 98502.