

BOARD MEETING MINUTES

APRIL 25, 2018 - FINAL



TRUSTEE AND STAFF ATTENDANCE

Absent	Dennis Lawson, Chair – Central Pierce Fire and Rescue
In Attendance	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
Teleconference	Representative Steve Bergquist – WA State Representative
Absent	Senator Judy Warnick – WA State Senator
Teleconference	Mr. Adé Ariwoola – City of Federal Way
Absent	Mr. Dwight Dively – King County
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
Absent	Mr. Wally Loucks – Spokane County Sheriff’s Office
In Attendance	Mr. Michael White – Valley Regional Fire Authority
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 Harman – Death and Disability Ombudsman
In Attendance	Ryan Frost – Research and Policy Manager
In Attendance	Tor Jernudd – Assistant Attorney General

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met at the Washington State Investment Board Olympia, Washington on April 25, 2018. A quorum of the members was present at this meeting.

OPENING

Vice Chair Jason Granneman called the meeting to order at 9:33AM 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 APPROVED

A motion to adopt the minutes from April 25th was made. Motion was seconded. Motion was passed unanimously.

2. DEFINITION OF CHILD

Ryan Frost, Research and Policy Manager, gave a presentation to the Board for initial consideration. No action is required at this meeting. The LEOFF definition of “child” excludes children adopted after retirement from eligibility for benefits. LEOFF provides benefits to children of active and retired members. LEOFF Plan 1 and Plan 2 provide different benefits, though both use the same definition of child. While the definition includes children adopted before retirement, it excludes children adopted after retirement. An overview of the current state of the law and options for potential modification were discussed.

3. OUT OF DUTY JURISDICTION

Ryan Frost, Research and Policy Manager, gave a presentation to the Board for initial consideration. No action is required at this meeting.

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Members who are injured while responding to an emergency out of their jurisdiction are not entitled to LEOFF 2 duty disability or duty death benefits. An off-duty member who becomes disabled or is killed while responding to a mass casualty incident has the same level of benefits as a member who becomes disabled or is killed from any other type of non-duty occurrence. There has been a recent push across the west coast (in response to last year's Las Vegas terrorist attack) to ensure first responders receive duty related benefits when responding to an incident no matter where it takes place. The following policy considerations are before the Board:

- Does the Board want to expand duty disability coverage for out of jurisdiction events?
- Should benefits rise for line of duty disability & death providing full earned benefits?
- If catastrophically disabled, should benefits rise to the catastrophic duty disability benefit?
- If a member dies while performing this type of service, should his survivor be entitled to full survivor benefits?

4. PEBB COVERAGE FOR CATASTROPHIC RETIREES

Ryan Frost, Research and Policy Manager, gave a presentation to the Board for initial consideration. No action is required at this meeting.

LEOFF Plan 2 catastrophic disability retirees and their survivors have different medical insurance access than survivors of members killed in the line of duty. Information on what health insurance benefits/reimbursements are currently available to survivors of members who are killed in the line of duty and to members who are retired for catastrophic disability were reviewed. The history of the health insurance premium reimbursement benefit was provided. Policy considerations before the Board discussed:

- Should PEBB coverage be extended to catastrophic retirees and survivors?
- Should covered benefits include reimbursement for Medicare C and D?

5. STANDBY PAY AS BASIC SALARY

Ryan Frost, Research and Policy Manager, gave a presentation to the Board for initial consideration. No action is required at this meeting. Standby pay is not part of basic salary (reportable compensation) used in computing LEOFF Plan 2 contributions and pensions. Rules regarding standby pay and reportable compensation were discussed. A majority of law enforcement officers and fire fighters do not receive standby pay. Instead, they are generally subject to call-up if an emergency requires more resources than available from on-duty staff. However, some LEOFF Plan 2 members receive standby pay while off-duty in exchange for being prepared to report to work on short notice. This payment is not considered compensation for services rendered and generally is not reportable compensation for LEOFF Plan 2.

6. PTSD BENEFITS

Steve Nelsen, Executive Director gave an educational briefing presentation to the Board. Legislation enacted in 2018 changed eligibility for workers' compensation and LEOFF Plan 2 benefits related to Posttraumatic Stress Disorder (PTSD). The criteria now matches the DSM-5 definition of PTSD which states a series of exposures to traumatic events can now be the basis for a worker's compensation claim. Information on what LEOFF Plan 2 benefits are available to members suffering from PTSD, how eligibility for those benefits has changed due to the new legislation and the processes for establishing eligibility were provided.

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7. ADMINISTRATIVE UPDATE

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

STAFF NEWS	Wally Loucks, Trustee, gave his resignation to the Board this month. The vacant staff position of Research and Policy Manager has been filled. Jacob White has accepted the position and will start on May 16 th .
Pension Funding Council Workgroup	Meets during years when it is a rate setting year for the PFC and LEOFF 2 Board. Coordinates the outside actuarial audits for the valuations. Milliman will be doing the audit again this year and presenting results later in the interim.
SCPP	Met earlier this month and general discussion about topics and possible coordination. DRS may be introducing legislation next session, purchase of annuity and
DRS RULEMAKING	DRS has been working on finalizing draft rules. The public hearing on adoption of these rules will be scheduled soon. Interagency meetings have not been occurring during legislative session.
OUTREACH	Tammy Harman is currently attending the International Ombudsman Conference in Richmond, VA. Tim Valencia presented to the Shoreline Fire Local 1760 on April 4 th . Director Nelsen presented at the Local 27 Financial Wellness Seminar on April 6 th . WSCFF had their Educational Seminar last week. Tammy Harman and Director Nelsen gave a presentation, as well as had an outreach table at the event.
QUARTERLY BUDGET UPDATE	Overall agency budget has been increased from \$2.447 million to \$2.46 million to reflect pending 2018 supplemental allotments (OSA, Central Services). Allotments haven't been updated in the financial systems yet, so some items will show as being overspent pending the allotment approval from OFM (not reflected in totals yet). End of biennium projections including vacancy savings (March 16-April 31) and supplemental allotments reduce projected overspend to \$2,656.

8. 2018 AGENDA ITEMS CALENDAR

Steve Nelsen, Executive Director reviewed the 2018 agenda items calendar and the upcoming items for future months. Michael White asked for the addition of Executive Session to the agenda for June 20th.

ADJOURNMENT

NEXT MEETING	There being no further business the meeting was adjourned at 11:45AM. The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for May 23 rd , 2018 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.
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