

BOARD MEETING MINUTES

JANUARY 25, 2017 - FINAL



TRUSTEE AND STAFF ATTENDANCE

Absent	Mr. Kelly Fox, Chair – Olympia Fire District
Teleconference	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
Absent	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Representative Kevin Van De Wege – WA State Representative
Absent	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
Teleconference	Mr. Wally Loucks – Spokane County Sheriff’s Office
Absent	Mr. Mark Johnston – Vancouver Fire Department
Teleconference	Mr. Paul Golnik – WA Fire Commissioners Association
Teleconference	Mr. David Cline – City of Tukwila
Teleconference	Mr. Michael White – Valley Regional Fire Authority

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on January 25, 2017. A quorum of the members was not present at this meeting.

OPENING | Director Nelsen called the meeting to order at 9:37 AM.

1. LEGISLATIVE UPDATE

Director Nelsen gave a legislative update to the Board.

- The Board did not recommend any legislation for this session.
- There have not been any LEOFF 2 bills introduced by other parties

Budget Bills – 2017-19 Operating Budget (HB 1067/SB 5048)

- Contribution Rates – The Board did adopt Contribution rates and the Governor’s budget included these adopted rates.
- Benefit Improvement Account – A \$25 million dollar payment from the state general fund was owed to this account for this biennium. It was not in the Governor’s budget this year. We will keep you and the website up to date with any changes.
- State Rate Reimbursement – This is an item in the Governor’s budget but is not a bill. Private organizations contract with LEOFF employers to provide a presence at an event, the private org will reimburse the employers. In the future the employers will be responsible for both the state and employer contributions.
- Staff will keep the Board informed if any bills for the Public Hospital District EMTs are introduced.

2. ADMINISTRATIVE UPDATE

Steve Nelsen, Executive Director, gave his administrative update to the board.

BOARD MEETING MINUTES

JANUARY 25, 2017 - FINAL



- 2016 Q4 Budget Update – This biennium the Board was asked to pay additional legal expenses for the merger study. The variance for this year is tighter due to this.
- Final month of pension payment issue: Currently a final month’s payment is always a full month payment. Partial repayment is due if a member dies in the middle of the month. Fiscal analysis will be provided as a follow up item for the first regular meeting of the interim.
- DRS Rulemaking –Director Nelsen met with DRS and they have set up a project team to head this issue of Duty disability rules. Former L2 staff Shawn Merchant and Greg Deam are both on this team.

Outreach Activities

- Director Nelsen attended the WACOPS Legislative conference. He spoke regarding the merger and gave an update on what is in the budget.
- WSCFF has their Legislative conference coming up and Director Nelsen has been asked to talk about the same issues of merger and budget.

3. AGENDA ITEMS FOR FUTURE MEETINGS

The next meeting is February 22nd and it will be the same format of legislative and administrative update.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:00AM.

NEXT MEETING	The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for February 22, 2017 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.
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BOARD MEETING MINUTES

FEBRUARY 22, 2017 - FINAL



TRUSTEE AND STAFF ATTENDANCE

Teleconference	Mr. Kelly Fox, Chair – Olympia Fire District
Teleconference	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
Absent	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Vacant
Absent	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
Teleconference	Mr. Wally Loucks – Spokane County Sheriff’s Office
Teleconference	Mr. Mark Johnston – Vancouver Fire Department
Teleconference	Mr. Paul Golnik – WA Fire Commissioners Association
Teleconference	Mr. David Cline – City of Tukwila
Teleconference	Mr. Michael White – Valley Regional Fire Authority

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on February 22, 2017. A quorum of the members was present at this meeting.

OPENING | Director Nelsen called the meeting to order at 9:33 AM.

1. LEGISLATIVE UPDATE

Director Nelsen gave a legislative update to the Board.

Bills Impacting LEOFF 2:

- Public Hospital District EMTs – Director Nelsen has been asked to work on draft bills. A proposed substitute bill is scheduled to come out of Senate Ways and Means today.
- Interruptive Military Service – LEOFF 2 members who perform military service that interrupts their LEOFF employment receive service credit for that time, if a campaign badge or medal was awarded. A bill would expand the paid military service option replacing it with a no cost military service credit option. It received a hearing and is currently in Rules. Staff will continue tracking this bill.

Budget Bills:

- Budget negotiations are still going on as it is still early in session. As to what extent it will involve LEOFF 2 is unknown. There hasn’t been any discussion about the payment to the Benefit Improvement Account. The \$25 million dollar payment was not in the Governor’s budget. This Friday is cut off for bills to get out of fiscal committees.
- A LEOFF 1/TRS 1 merger bill was not introduced. Staff will be watching to see if this changes when the budget is released and will update the Board.

BOARD MEETING MINUTES

FEBRUARY 22, 2017 - FINAL



2. ADMINISTRATIVE UPDATE

Director Nelsen gave his administrative update to the board.

- DRS Rulemaking – Director Nelsen met with DRS and they have set up a project team to head disability rule making. The Board was invited to attend these meetings, with the first meeting scheduled for this Friday. Director Nelsen has outlined for DRS that the Board requests that determinations are consistent with LNI and SSI
- Outreach Activities – Tammy Harman made a presentation to the Everett Fire Fighters that was well received. She will give this presentation at the WSCFF Educational conference later this year.
- WSCFF has their legislative conference next week and Director Nelsen was asked to give a presentation on what the Board does.

3. AGENDA ITEMS FOR FUTURE MEETINGS

Next meeting is March 22nd and will be the same format of legislative and administrative update.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:54AM.

NEXT MEETING	The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for March 22, 2017 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.
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BOARD MEETING MINUTES

MARCH 22, 2017 - FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
Teleconference	Mr. Jason Granneman, Vice Chair – Clark County Sheriff's Office
Absent	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Vacant
Absent	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
Teleconference	Mr. Wally Loucks – Spokane County Sheriff's Office
Teleconference	Mr. Mark Johnston – Vancouver Fire Department
Teleconference	Mr. Paul Golnik – WA Fire Commissioners Association
Teleconference	Mr. David Cline – City of Tukwila
Teleconference	Mr. Michael White – Valley Regional Fire Authority

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on March 22, 2017. A quorum of the members was present at this meeting.

OPENING | Chair Fox called the meeting to order at 9:31 AM.

1. LEGISLATIVE UPDATE

Steve Nelsen, Executive Director gave a legislative update to the Board.

Bills impacting LEOFF 2:

- Public Hospital District EMTs (SB bill 5659) – Decision made by house leadership to reintroduce the bill. It will come out of the House with a new bill number.
- Interruptive Military Service Credit (SB 5661) – The bill passed out of the Senate. Eliminates the current requirement in statute and would expand the number of members who would get the service credit. The Board does not have a position on the bill and Director Nelsen will not be testifying on the bill.
- PTSD Disabilities for LEOFF (SHB 1655) – This a bill that would make PTSD a presumptive duty related illness. This bill did not pass. There is still discussion of converting this into a study by LNI. The L2 Board's role would only be to assist in providing data if that happened.

Budget Bills:

- 2017-19 Operating Budget (HB 1067/SB 5048)
- Senate Budget – Likely a budget proviso about senate and state law regarding tribal officers. Director Nelsen asked them to include additional budget capacity if LEOFF 2 is to do a study. An email was sent out to stakeholder groups with detail on budget.
- Fire Insurance Premium tax – Doesn't effect LEOFF Plan 2.

BOARD MEETING MINUTES

MARCH 22, 2017 - FINAL



- LEOFF 2 Contributions – Since the agency was created they have been funded as a split of: 50 employers/30 members/20 state. The split now would make it 50 member/50 employers.
- The \$25 million dollar scheduled payment to the Benefit Improvement Account for 2017 was not funded in this budget.

2. ADMINISTRATIVE UPDATE

Steve Nelsen, Executive Director, gave his administrative update to the board.

- DRS Rulemaking – Director Nelsen invited to attend these project team meetings which have been cooperative and going well.

Outreach Activities:

- Paul Neal presented at NAPPA
- Tammy Harman did a presentation to Concerns of Police Survivors
- Tim Valencia invited to speak to Kent Fire Fighters as part of a retirement seminar for their members

3. AGENDA ITEMS FOR FUTURE MEETINGS

Next meeting is April 19th and will be the same format of legislative and administrative update.

4. PUBLIC TESTIMONY

Roy Orlando asked a question.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:54AM.

NEXT MEETING | The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for April 19, 2017 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.

BOARD MEETING MINUTES

APRIL 19, 2017 - FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
Teleconference	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
Absent	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Vacant
Absent	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
Teleconference	Mr. Wally Loucks – Spokane County Sheriff’s Office
Teleconference	Mr. Mark Johnston – Vancouver Fire Department
Teleconference	Mr. Paul Golnik – WA Fire Commissioners Association
Teleconference	Mr. David Cline – City of Tukwila
Teleconference	Mr. Michael White – Valley Regional Fire Authority

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on April 19, 2017. A quorum of the members was present at this meeting.

OPENING | Chair Fox called the meeting to order at 9:31 AM.

1. LEGISLATIVE UPDATE

Director Nelsen gave his legislative update to the Board.

- Budget work is not expected to be completed by the end of session on Sunday. A special session will occur if not completed and staff will keep the Board updated.
- Interruptive Military Service Credit (SB 5661) – Started out initially as a bill that would have provided no cost interruptive military service to LEOFF 2 members. There is not sufficient data for the State Actuary’s Office to estimate the rate impact. The fiscal note that came out on the original bill was indeterminate. This bill was converted in the House amended into a study with the Actuaries Office and Department of Retirement Systems. Part of the study would ask if the Board’s policy position has changed regarding a distinction between combat and non-combat service.
- Tribal Membership Eligibility Study – This is contingent on funding in the budget. The Select Committee on Pension Policy will be asked to study the issue of tribal teachers in TRS. The Board will be asked to study the issue of allowing tribal law enforcement officers into the LEOFF retirement system.
- Public Hospital District EMTs (SHB 2202) – Passed out of the House yesterday, still needs to pass out of the Senate before the end of session on Sunday, or it will be alive during special session.
- PTSD Disabilities for LEOFF (SHB 1655) – It has passed out of the House, and is currently in the Senate. It may be converted into a study by LNI. Impact on the Board is expected to be minimal.

BOARD MEETING MINUTES

APRIL 19, 2017 - FINAL



Budget Bills:

- 2017-19 Operating Budget (HB 1067/SB 5048) and 2017 Supplemental Budget (HB 1068/SB 5047) – If not passed before session ends these will continue into special session

2. ADMINISTRATIVE UPDATE

Steve Nelsen, Executive Director, gave his administrative update to the board.

- DRS Rulemaking – cooperative project re: Duty Disability rule making. Weekly meetings have been occurring as well as periodic meetings with the AGs.
- Outreach Activities
 - Washington C.O.P.S. – Tammy Harman attended on March 25th
 - Kent Fire Fighters – Tim Valencia spoke on March 27th
 - WSCFF Education Seminar – April 25-27th. The agency will have an outreach table and Director Nelsen and Ryan Frost will attend. Director Nelsen will present on the topics of annuity and purchase of service credit.

3. AGENDA ITEMS FOR FUTURE MEETINGS

The next meeting is May 31st and will be the same format of legislative and administrative update if session continues.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:56am.

NEXT MEETING	The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for May 31, 2017 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.
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BOARD MEETING MINUTES

MAY 31, 2017 - FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Kelly Fox, Chair – Olympia Fire District
Teleconference	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
Teleconference	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Vacant
Teleconference	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
Absent	Mr. Wally Loucks – Spokane County Sheriff’s Office
Teleconference	Mr. Mark Johnston – Vancouver Fire Department
Teleconference	Mr. Paul Golnik – WA Fire Commissioners Association
Absent	Mr. David Cline – City of Tukwila
Teleconference	Mr. Michael White – Valley Regional Fire Authority

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on May 31, 2017. A quorum of the members was present at this meeting.

OPENING | Chair Fox called the meeting to order at 9:31 AM.

1. LEGISLATIVE UPDATE

Director Nelsen gave a legislative update to the Board.

- Interruptive Military Service Credit (SB 5661) – This bill, specific to LEOFF 2, has passed and has been signed. An introductory presentation will occur at the first board meeting after session.
- Public Hospital District EMTs (SB 5659) – The final bill has been signed and will be effective July 1. DRS is working with the hospital districts to report their salary and compensation data as well as contact information for members. DRS will reach out to members and provide estimates for these members regarding the cost to purchase this past service credit.
- Tribal Membership Eligibility Study – In the House budget there was a requirement for the LEOFF 2 Board to study the issue of allowing tribal law enforcement officers into LEOFF 2. Staff will continue to track this bill to see if it ends up in the final budget. At the first regular meeting after session an update will be given to the Board.
- The second special session has begun and is expected to end June 21st. A revenue forecast is expected on June 20th.
- With respect to LEOFF 2, the Senate budget shifting the state’s share 50/30/20 cost split to local governments and making it a 50/50 split. We may not know until the end of session if this cost sharing split will take place. Another issue that is likely to come up in final budget negotiations is merger.
- The budget being adopted by June is unknown. All state agencies have been notified to start contingency planning. We will keep you posted about any contingency plan that would start July 1.

BOARD MEETING MINUTES

MAY 31, 2017 - FINAL



Budget Impacts:

- Contribution Rates – There have been no proposals to reduce LEOFF 2 contribution rates.
- Special Events Contributions – There has been a change in the Governor’s budget for special event contributions by local governments. It doesn’t affect financing of LEOFF 2 but it would be an impact on local government stakeholders for LEOFF 2.
- Benefit Improvement Account – There has been no discussion or indication that this payment would be added in.

Roy Orlando, Director of the Retired Fire Fighters of Washington, asked a question regarding merger being in the budget.

2. ADMINISTRATIVE UPDATE

Director Nelsen gave his administrative update to the board.

- DRS Rulemaking – Joint rule making project has been moving along great. The final rules for duty disability will be finished up this summer. DRS is doing a pilot project to have an outside agency review the complex disability rules.
- New Project to occur regarding the implementation of the EMT bill. Director Nelsen has already been asked to coordinate on the implementation of this bill. Intensive education going on for the implementation of this bill for the next several months.
- Outreach Activities
 - Seattle Fire Financial Wellness Seminar – Director Nelsen attended and spoke
 - WSCFF Educational Seminar – Director Nelsen and Ryan Frost attended, had table
 - Young Fire Fighters Conference – Tammy Harman and Tim Valencia attended and had a table to answer questions
 - WASPC Spring Expo / WFC Annual Conference – Tammy Harman and Paul Neal had a table and answered questions
 - WACOPS Spring Meeting – Director Nelsen attended and gave a legislative update.

3. AGENDA ITEMS FOR FUTURE MEETINGS

The next meeting is June 28th. It is unknown if a final budget will be reached and if session will have ended by this date. The June meeting may be another electronic meeting but we will not know until shortly before the meeting date. Staff will update the Board as to what to expect for the June 28th meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:00am.

NEXT MEETING | The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for June 28, 2017 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.

BOARD MEETING MINUTES

JUNE 28, 2017 - FINAL



TRUSTEE AND STAFF ATTENDANCE

Absent	Mr. Kelly Fox, Chair – Olympia Fire District
Absent	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
Absent	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Vacant
Absent	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
Absent	Mr. Wally Loucks – Spokane County Sheriff’s Office
Teleconference	Mr. Mark Johnston – Vancouver Fire Department
Teleconference	Mr. Paul Golnik – WA Fire Commissioners Association
Absent	Mr. David Cline – City of Tukwila
In Attendance	Mr. Michael White – Valley Regional Fire Authority

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on May 31, 2017. A quorum of the members was not present at this meeting.

OPENING | Michael White called the meeting to order at 9:30 AM.

1. LEGISLATIVE UPDATE

Director Nelsen gave a legislative update to the Board.

Budget Update:

- A final budget has not yet been reached. They are going to go all the way to midnight on Friday. There is optimism that an agreement will be reached today on an operating budget.
- Contribution Rates – Not expected to be changed in the budget.
- Special Events Contributions – Likely to be in the budget.
- Benefit Improvement Account – The scheduled payment is not likely to be in budget.
- Shifting the state share of LEOFF 2 contributions to local governments is not expected to be in the budget.
- Merger is not to be expected in the budget
- No word on the study requirement of tribal law enforcement officers into LEOFF. We probably won’t know anything on that until the final budget is released.

Bills Impacting LEOFF Plan 2:

- Public Hospital District EMTs (SHB 2202) – Implementation will occur on July 1. DRS has begun the preliminary work.

BOARD MEETING MINUTES

JUNE 28, 2017 - FINAL



- Interruptive Military Service Credit (SB 5661) – The SCPP had a preliminary hearing on this topic at their June meeting. They are going to be working on the same issue but with regards to the other plans while the LEOFF 2 Board will be working on the study for L2 members. An initial presentation will occur at the July 26 meeting.

2. ADMINISTRATIVE UPDATE

Director Nelsen gave his administrative update to the board.

- DRS Rulemaking – Continued working with DRS on the rule for duty related disability retirements. It is about 95% done. DRS is finishing up their internal process. There were six rules that were identified that the LEOFF 2 Board wanted to work on with DRS. Director Nelsen reached out to DRS Director Tracy Guerin about continuing to work on these.
- Outreach Activities –
 - WSCFF Annual convention – Director Nelsen and Ryan Frost attended, and had a table with materials and answered questions
 - Stand With Those Who Serve – Tammy Harman will attend in July
- Board member vacancies –
 - David Cline’s term is up and he will not be seeking reappointment.
 - Chair Kelly Fox’s term expires Friday and he will not seek reappointment. He has been Chair since the conception of the Board. The WSCFF has submitted names to fill this vacancy and as soon as someone has been appointed by the Governor staff will let the Board know.
 - An assignment this interim will be to nominate and elect the Chair, Vice Chair and Employer Rep this interim. Vice Chair Granneman will act as Chair until elections occur.

3. AGENDA ITEMS FOR FUTURE MEETINGS

Next meeting is July 26th. It will be a full meeting. We will have a session review, interim preview, and an initial presentation on the Interruptive Military Service Credit. This will be a compressed interim.

Jim Fossos, Retired FF of Washington asked a question regarding the remaining agenda items, and who was on the phone. LEOFF 1 members to meet with WSCFF and Director Nelsen following the LEOFF 2 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:44 AM.

NEXT MEETING	The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for July 26, 2017 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.
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BOARD MEETING MINUTES

JULY 26, 2017 - FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
Teleconference	Mr. Dennis Lawson - Central Pierce Fire and Rescue
In Attendance	Representative Steve Bergquist – WA State Representative
Teleconference	Senator Judy Warnick – WA State Senator
Absent	Mr. Dwight Dively – King County
In Attendance	Mr. Wally Loucks – Spokane County Sheriff’s Office
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
In Attendance	Mr. Paul Golnik – WA Fire Commissioners Association
In Attendance	Mr. Ade Ariwoola – City of Federal Way
In Attendance	Mr. Michael White – Valley Regional Fire Authority

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met in the Washington State Investment conference room in Olympia, Washington on July 26, 2017. A quorum of the members was present at this meeting.

OPENING | Vice Chair Jason Granneman called the meeting to order at 9:31 AM.

1. APPROVAL OF MINUTES

MOTION | A motion to approve meeting minutes from December 2016 through June 2017 was made. Motion was seconded. Motion passed unanimously.

2. LEGISLATIVE UPDATE

Paul Neal, Senior Research and Policy Manager gave a legislative update to the board.

2017–2019 Operating Budget (SSB 5883): Final Budget Passed on June 30

Included in Budget:

- Full funding of LEOFF Plan 2 contribution rates adopted by the Board
- Deferral of LEOFF 2 benefit improvement account contribution
- Employer contributes state share on officer special event compensation

Proposals Not Included in Final Budget:

- Eliminating state contribution to LEOFF
- Eliminating employer contribution to DRS expense fund
- Board study of tribal law enforcement officers in LEOFF Plan 2
- Merging LEOFF 1 with LEOFF 2 or TRS 1

Bills Affecting LEOFF Plan 2 – Passed

- Including Hospital District EMTs into LEOFF 2 (HB 2202)
 - Clarifies eligibility for hospital district and ambulance authority EMTs
 - Past service credit option
- Expanding Interruptive Military Service Credit Rights – Study (SB 5661)
 - Board directed to study whether waiver of employee contributions interruptive military service credit should be expanded to include members without a campaign badge or medal

BOARD MEETING MINUTES

JULY 26, 2017 - FINAL



- Report to Legislature by January 1, 2018
- Expanding Definition of Veteran (HB 1369)
 - “Veteran” includes persons with specified documents showing honorable military service

Bills Affecting LEOFF Plan 2 – Not Passed

- Providing Workers Compensation for PTSD (HB 1655)
 - Would allow workers compensation multiple incident PTSD claims for LEOFF members
- Property Tax Exemption for Survivors of Members Killed in the Line of Duty (SB 5104)
- Expanding Occupational Disease Presumptions for LEOFF Members (SB 5477)

SCPP Bills Passed:

- Washington State Patrol Retirement System (WSPRS) Voluntary Overtime (SB 5274)
 - Up to 70 hours per year of voluntary overtime is included in Trooper compensation prospectively
 - The maximum member contribution rate is increased by 1.10 percent
- Public Safety Employees’ Retirement System (PSERS) Full Time Definition (HB 1709)
 - Employees erroneously reported in PSERS may transfer PERS credit to PSERS if their employment contract defined full-time employment as at least 140 hours per month

3. LEOFF 2 ACTUARIAL VALUATION AND ECONOMIC EXPERIENCE STUDY PREVIEW

Lisa Won, ASA, FCA, MAAA, Deputy State Actuary, OSA, gave an informational presentation to the board on the upcoming Actuarial Valuation report and the Economic Experience Study. No action is needed as this presentation is in preparation for a presentation in September.

4. 2017 INTERIM PLANNING

Ryan Frost, Research and Policy Manager, presented a review of possible topics to aid in setting the 2017 interim agenda for the Board.

Actuarial Items:

- LEOFF 2 Actuarial Valuation
- Update on Cost of Benefit Improvements
- Economic Assumptions Adoption

Potential Topics:

- Presumption for PTSD
- Catastrophic Retiree Healthcare
- Retirees Recovering from Disabilities
- Retiree Return to Work

Administrative Items:

- DRS Rulemaking
- Financial Audit
- DRS/SIB Presentations
- October Offsite Planning Meeting
- Annual Attorney General Training

BOARD MEETING MINUTES

JULY 26, 2017 - FINAL



MOTION	A motion was made to move forward with adding the update on cost of benefit increases improvements. Motion was seconded. Motion passed unanimously.
MOTION	A motion was made to move forward with Catastrophic Retiree Healthcare and Retirees Recovering from Disabilities. Motion was seconded. Motion passed unanimously.

5. INTERRUPTIVE MILITARY SERVICE CREDIT

Ryan Frost, Research and Policy Manager gave an initial presentation to the board. At the commencement of the legislative session the Board was directed to study the requirements for member contributions for interruptive service credit.

6. ADMINISTRATIVE UPDATE

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

OUTREACH ACTIVITIES	No outreach activities have occurred since the last meeting.
BUDGET UPDATE	Final quarter of Fiscal year, agency is under budget.
PUBLIC TESTIMONY	Budd Sizemore, WACOPS, asked the Board for communication and update regarding benefits. He asked for a one pager on apples to apples comparison on benefits and plan health. And education to members on why plan health is important.

7. EXECUTIVE DIRECTOR COLA

MOTION	A motion was made to move into executive session. Motion was seconded. Motion passed unanimously. The Board moved into the small conference room for 30 minutes to discuss the Director's compensation.
MOTION	A motion was made to affirm the same COLA for the 2017-2019 that was included in the state budget for all state employees to the Executive Director and grant the Executive Director the COLA. Motion was seconded. Motion passed unanimously.
MOTION	A motion was made to do a salary survey and compare positions to the exec director. Motion seconded. Motion passed unanimously.

8. AGENDA ITEMS FOR FUTURE MEETINGS

Director Nelsen reviewed the agenda items for the remaining months of 2017:

August – Director Nelsen reviewed that the Board typically cancels the August meeting.

September – Initial presentations on the two items from today, follow up on Interruptive Military Service Credit, Board elections, actuary items

October – Offsite meeting for strategic planning

November – Follow up on presentations from September

December – Final presentations

MOTION	A motion was made to adopt the agenda below as proposed by Director Nelsen. Motion was seconded. Motion passed unanimously.
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BOARD MEETING MINUTES

JULY 26, 2017 - FINAL



ADJOURNMENT

There being no further business, the meeting was adjourned at 12:50PM

NEXT MEETING

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for September 27, 2017 at the Washington State Investment Board located at 2100 Evergreen Park Drive SW Olympia, WA 98502.

BOARD MEETING MINUTES

SEPTEMBER 27, 2017 – FINAL



TRUSTEE AND STAFF ATTENDANCE

Absent	Chair – VACANT
In Attendance	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
Absent	Representative Jeff Holy – Spokane Police Department (Retired)
In Attendance	Representative Steve Bergquist – WA State Representative
Absent	Senator Judy Warnick – WA State Senator
In Attendance	Mr. Dwight Dively – King County
Absent	Mr. Wally Loucks – Spokane County Sheriff’s Office
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
In Attendance	Mr. Paul Golnik – WA Fire Commissioners Association
In Attendance	Mr. Adé Ariwoola – City of Federal Way
In Attendance	Mr. Michael White – Valley Regional Fire Authority
In Attendance	Mr. Dennis Lawson – Central Pierce Fire and Rescue
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	Paul Neal – Senior Research and Policy Manager
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 in the Cedar Hemlock conference room at Hotel Red Lion in Olympia, Washington on September 27, 2017. A quorum of the members was present at this meeting.

OPENING | Vice Chair Jason Granneman called the meeting to order at 9:37AM 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 July 26, 2017 are before the Board for approval.

MINUTES APPROVED | It was moved to approve the Board meeting minutes from July 26, 2017. Dennis Lawson mentioned a change needed to be made to his attendance, from Present to Teleconference. Motion seconded. The Board approved the minutes without objection.

2. BOARD OFFICER ELECTIONS

The Board shall elect a Chairman and Vice-Chairman from its membership. Nominations for Chairman and Vice-Chairman would typically occur at the August Meeting, followed by elections at the September meeting. Board Chairman and Vice-Chairman shall be members of the Administrative committee as well one additional member chosen by board members representing the Employer group.

BOARD MEETING MINUTES

SEPTEMBER 27, 2017 – FINAL



MOTION	Mark Johnston moved to suspend the normal operating policy and to both nominate and vote for the Board Officer elections at today's meeting, as the August meeting was cancelled. Motion was seconded. Motion passed unanimously to move forward with nominating and electing Board Officers today.
MOTION	Mark Johnston nominated Dennis Lawson for chair. Michael White seconded this nomination. No other nominations were made for Chair. The motion passed unanimously.
MOTION	Michael White nominated Jason Granneman for Vice Chair. No other nominations were made. Motion was seconded. Motion passed unanimously.
5 MINUTE RECESS	A five minute recess was called at 9:44am so the employer representatives could step aside and discuss their nomination for administrative committee. They returned at 9:49am. Employer Representative Paul Golnik announced he will be stepping down from the Board in his Employer Representative role.
MOTION	A motion was made to appoint Adé Ariwoola as the employer representative on the Administrative committee. Motion was seconded. Motion passed unanimously.

3. PUBLIC PENSION ADMINISTRATION BENCHMARKING ANALYSIS

Mark Feldhausen, Budget and Performance Management Director from the Department of Retirement Systems, presented a summary of public pension administration benchmark results for fiscal year 2016.

4. INDEPENDENT AUDIT RESULTS

Steve Davis, Davis Accounting Tax and Audit Services, presented a summary of his results from his annual audited schedule of expenditures for the year ending June 30, 2017. Mr. Davis reviewed his independent auditor's report with the Board, and discussed notes to the schedule of expenditures. These notes included a summary of significant accounting policies, commitments to the operating lease for the office space, and related party transactions of interagency agreements. The following supplementary information was provided for review: comparative schedule of expenditures for the biennium, and budget to actual schedule of expenditures for the biennium ended June 30, 2017.

5. INTERRUPTIVE MILITARY SERVICE CREDITS PLAN 2 & 3

Seth Miller, Assistant Director of Retirement Services Division from the Department of Retirement Systems, presented to the Board on the topic of Interruptive Military Service Credits for PERS Plans 2 & 3.

6. INTERRUPTIVE MILITARY SERVICE CREDIT STUDY

Ryan Frost, Research and Policy Manager, presented a comprehensive report on the topic of Interruptive Military Service Credit. The following two policy issues are before the Board for discussion. Further information will be presented at the November meeting with a Final Report to occur at the December 20th meeting.

- Policy issues before the Board are should the current policy continue where free interruptive military service credit is only granted to those members who served in combat?
- Should the Board make corrections to the current definition of "veteran"?

BOARD MEETING MINUTES

SEPTEMBER 27, 2017 – FINAL



7. REPORT ON FINANCIAL CONDITION AND RECOMMENDATION ON LONG-TERM ECONOMIC ASSUMPTIONS

Matt Smith, State Actuary, Lisa Won, Deputy State Actuary and Mitch DeCamp, Actuarial Analyst from the Office of the State Actuary presented to the Board. Highlights from two reports were discussed: Financial Condition and Economic Experience Study. The Board has the authority to adopt recommendations for economic assumptions, with any changes subject to revision by the Legislature. No action was taken at this time.

8. ADMINISTRATIVE UPDATE

A short break was taken for lunch from 12:32pm-12:48pm. Steve Nelsen, Executive Director began his administrative update following the lunch break.

OCTOBER	The October meeting will be offsite at the DoubleTree by Hilton in Olympia.
OUTREACH	Director Nelsen spoke at the WACOPS meeting on September 14 th . Staff will speak at a Financial Wellness Seminar on October 2 in Seattle for Local 27 Firefighters. Paul Neal spoke at a similar seminar last month.
RULEMAKING	Cooperation with DRS has continued on rulemaking.

9. BENEFIT IMPROVEMENT PRICING

At the July meeting the Board requested a briefing on benefit improvements, as it has been 10 years since their last request. Ryan Frost, Research and Policy Manager, gave the briefing to the board, focusing on the cost of increasing the multiplier. Vice Chair Granneman requested a handout of this information.

10. DISABLED MEMBERS RETURN TO WORK

Ryan Frost, Research and Policy Manager, presented on the topic of the current disability statute regarding disabled members returning to work. The policy issues surrounding this topic are:

- Should DRS continue to pay a disability benefit to members who DRS believes are no longer disabled if the employer believes the member is still disabled?
- Should DRS be able to bill the employer for the disability payments they made to the member while they were stuck in limbo?

MOTION Michael White moved to have staff to do a follow up presentation at the November meeting. Motion was seconded. Motion passed unanimously.

11. CATASTROPHIC DISABILITY MEDICAL INSURANCE

Paul Neal, Senior Research and Disability Manager gave a presentation to the Board on the topic of Catastrophic Disability Medical Insurance, reviewing current law and medical premiums. The question of whether the Board wants staff to provide updated cost analysis was asked in his presentation.

MOTION Mark Johnston moved to push this issue forward to the next step of a follow up presentation at the November meeting. Motion was seconded. Motion passed unanimously.

BOARD MEETING MINUTES

SEPTEMBER 27, 2017 – FINAL



12. EXECUTIVE DIRECTOR EVALUATION

The Board entered into executive session at 1:50PM for a discussion on the Executive Director Evaluation Process. The Board returned at 2:22pm.

MOTION	Mr. Ade Ariwoola made a motion for the Chair to contact OFM to gather information regarding the Executive Director compensation. Motion was seconded. Motion passed unanimously.
MOTION	Rep. Steve Bergquist made a motion to direct the Chair to contact the Attorney General's Office on behalf of the Board, and request advice related to the Board's authority in setting the Executive Director's compensation. Motion seconded. Motion passed unanimously. Chair Lawson asked that staff to prepare the policy that was put in draft form to be prepared for the October meeting ready for discussion and possible Board action at the October meeting.

13. AGENDA ITEMS FOR FUTURE MEETINGS

Steve Nelsen, Executive Director, reviewed upcoming items for the remaining meetings of 2017.

October 18	The next meeting on October 18 th will be offsite and a review of the Board's strategic plan is to occur. Discussion of the past decisions made by the Board will be reviewed and addressed.
November 15	DRS presentation WSIB presentation Follow up presentations on benefit and actuarial issues Final Results of LAVR from OSA
December 20	Focus on what the Board wants to work on during the upcoming legislative session Final presentation on the Military Service Credit Study. Any other agenda items will result from the November meeting

ADJOURNMENT

MOTION	There being no further business a motion was made to adjourn the meeting. Motion was seconded. Meeting was adjourned at 2:25PM.
NEXT MEETING	The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for October 18, 2017 at the DoubleTree by Hilton Olympia located at 415 Capitol Way N, Olympia, WA 98501.

BOARD MEETING MINUTES

OCTOBER 18, 2017 – FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	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)
In Attendance	Representative Steve Bergquist – WA State Representative
In Attendance	Senator Judy Warnick – WA State Senator
In Attendance	Mr. Adé Ariwoola – City of Federal Way
In Attendance	Mr. Dwight Dively – King County
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
In Attendance	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	Paul Neal – Senior Research and Policy Manager
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 DoubleTree by Hilton Olympia in Olympia, Washington on October 18, 2017. A quorum of the members was present at this meeting.

OPENING | Chair Dennis Lawson called the meeting to order at 9:03AM and requested those present to take a moment of silence to honor fallen members since the last the Board meeting, as well for the disasters occurring around the country.

1. WELCOME & AGENDA OVERVIEW

Executive Director Steve Nelsen welcomed the Board and gave an overview of the day’s agenda for this offsite meeting.

2. WASHINGTON PENSION STRUCTURE

Director Nelsen presented an overview of the current pension structure in Washington state and reviewed governance of the LEOFF 2 Board.

3. STRATEGIC PLAN REVIEW & DISCUSSION

Director Nelsen reviewed the strategic plan of the Board, discussing the Board’s past legislative accomplishments and the history of legislative and funding policy changes.

BOARD MEETING MINUTES

OCTOBER 18, 2017 – FINAL



4. FUNDING POLICY DISCUSSION

Director Nelsen and Deputy State Actuary Lisa Won participated in a conversation before the Board to discuss actuarial funding. A background on pension funding was given, as well an overview of the current funding policy for the Board.

5. EXPECTATION INTERVIEW RESULTS

Deputy Director Tim Valencia presented results from the 2017 expectation interviews with board members. These interviews occur on a yearly basis and are conducted by Executive Director Steve Nelsen to discuss expectations and board business.

6. PLAN COMPARISON RESEARCH

Director Nelsen gave an overview of how LEOFF Plan 2 compares to other pension plans in the country. An educational video titled, "Comparing LEOFF Plan 2 – Comparison of LEOFF Plan 2 to 160 Other Plans Nationwide" was created by Senior Research and Policy Manager Paul Neal and premiered to the Board.

7. 2018 PROPOSED MEETING CALENDAR

Proposed meeting dates for the 2018 calendar year were presented to the Board. Board members were asked to consult their schedules and be prepared to discuss and adopt meeting dates at the November 15th board meeting.

8. WRAP UP

Director Nelsen thanked the Board for their questions and participation in the meeting and addressed that the following meetings scheduled for November 15th and December 20th would also occur offsite as the Washington State Investment Board is undergoing construction on the building and conference room.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:30pm.

NEXT MEETING

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for November 15th, 2017 at the DoubleTree by Hilton Olympia at 415 Capitol Way N Olympia, WA 98501.

BOARD MEETING MINUTES

NOVEMBER 15, 2017- FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Dennis Lawson, Chair – Central Pierce Fire and Rescue
In Attendance	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Representative Steve Bergquist – WA State Representative
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Senator Judy Warnick – WA State Senator
In Attendance	Mr. Adé Ariwoola – City of Federal Way
Absent	Mr. Dwight Dively – King County
In Attendance	Mr. Mark Johnston – Vancouver Fire Department
Teleconference	Mr. Wally Loucks – Spokane County Sheriff’s Office
In Attendance	Mr. Pat McElligott – Pierce County Fire and Rescue
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	Paul Neal – Senior Research and Policy Manager
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 DoubleTree by Hilton in Olympia, Washington on November 15, 2017. A quorum of the members was present at this meeting.

OPENING | Chair Dennis Lawson 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

The minutes from September 26th and October 18th are before the Board for approval.

MOTION | It was moved to approve the Board meeting minutes from September 26, 2017 and October 18, 2017. Motion was seconded. The Board approved the minutes without objection.

2. DEPARTMENT OF RETIREMENT SYSTEMS ANNUAL UPDATE

Tracy Guerin, Executive Director of the Department of Retirement Systems, presented an annual update to the Board.

3. WASHINGTON STATE INVESTMENT BOARD ANNUAL UPDATE

Theresa Whitmarsh, Executive Director of the Washington State Investment Board gave an annual update to the Board.

BOARD MEETING MINUTES

NOVEMBER 15, 2017- FINAL



4. LEOFF 2 ACTUARIAL VALUATION REPORT

Mitch DeCamp & Graham Dyer, Actuarial Analysts at the Office of the State Actuary, gave an informational presentation to the Board on the LEOFF 2 Actuarial Valuation Results. Highlights from the 2016 Actuarial Valuation were reviewed as well as the OSA Interactive Web Reports available to the public at <http://leg.wa.gov/osa>.

5. ECONOMIC ASSUMPTION ADOPTION

Ryan Frost, Research and Policy Manager presented on the topic of Economic Assumption Adoption, reviewing assumption change recommendations provided by the Office of the State Actuary. The Board is tasked with adopting economic assumptions every 2 years, with the last adopted changes occurring in 2011. The following four options are before the Board today:

1. Do not adopt assumptions.
2. Adopt the assumption changes, with the rate change to begin July 1, 2019. This is the current statutory process.
3. Adopt the assumption changes, and adopt the rate reductions effective January 2018.
4. Adopt other economic assumptions, specifically lowering the investment return assumption to 7.3%. This would result in no rate reductions.

MOTION | A motion was made by Mark Johnston to adopt option 4. Motion was seconded. Discussed followed.

MOTION | A motion was made to table the motion until the December meeting. Motion was seconded. Mark Johnston voted no to this motion. Motion passed.

6. ADMINISTRATIVE UPDATE

Steve Nelsen, Executive Director gave an administrative update to the Board. The following items were discussed: The LEOFF Plan 2 was given the 2017 Public Pension Coordinating Council Award for Funding. An update on the recent public records request was given. Director Nelsen will be giving an update at the Dec 12th SCPP meeting. Member Correspondence was received for the Board and attached to meeting materials for the Board to review.

MOTION | A motion was made to put the Member Correspondence issue on the December Agenda. Motion was seconded. Motion passed unanimously.

STAFF RECOGNITION | Paul Neal is on the NAPPA Benefits Committee for the upcoming conference. Tim Valencia is serving on the IFEBP Public Employees Board. Tammy Harman is the Co-Chair of the Conference Committee for the International Ombudsman Association.

OUTREACH | Tammy Harman presented at the 2nd District WSCFF Mini Ed Seminar
Tammy Harman attended the Northshore Regional Benefits Fair
Tammy Harman attended the Washington Fire Commissioners Association Annual Conference

7. ANNUAL TRUSTEE TRAINING

Tor Jernudd, AAG presented a training to the Board on Social Media and Open Government Laws. Open public meetings and open public records were reviewed as well as social media use.

BOARD MEETING MINUTES

NOVEMBER 15, 2017- FINAL



8. INTERRUPTIVE MILITARY SERVICE CREDIT STUDY

Ryan Frost, Research and Policy Manager, gave a comprehensive follow-up report on the issue of Interruptive Military Service Credit. SB 5661 directs the Board to study the following questions:

- Should the current policy continue, where free interruptive military service credit is only granted to those members who served in combat?
- Should the Board make corrections to the current definition of “veteran”?

No action was taken by the Board at this time.

9. BENEFIT IMPROVEMENT PRICING

Ryan Frost, Research and Policy Manager gave an educational briefing on benefit improvement pricing, focusing on the cost of increasing the multiplier.

10. CATASTROPHIC DISABILITY MEDICAL INSURANCE

Paul Neal, Senior Research and Disability Manager gave a presentation to the Board on the topic of Catastrophic Disability Medical Insurance, reviewing current law and medical premiums. The question of whether the Board wants staff to provide updated cost analysis was asked in his presentation.

MOTION

Mark Johnston moved to push this issue forward to the next step of a follow up presentation at the November meeting. Motion was seconded. Motion passed unanimously.

11. OFF DUTY LEOFF EMPLOYMENT

Paul Neal, Senior Research and Policy Manager gave an educational briefing on Off Duty LEOFF Employment. Seattle’s interim mayor issued an executive order on September 27, 2017, directing the City to manage Seattle Police (SPD) officers’ off-duty work in-house, thus converting the work to LEOFF Plan 2 service. The Board requested a briefing on possible pension impacts.

No action was taken by the Board at this time.

12. DISABLED MEMBERS RETURN TO WORK

Ryan Frost, Research and Policy Manager gave a comprehensive report on the issue of disabled members returning to work. The policy issues before the Board are:

- Should DRS continue to pay a disability benefit to members who are in the appeals process?
- Should DRS be able to bill the employer for the disability payments they made to the member while they were stuck in limbo?

MOTION

A motion was made to move the issue of Disabled Members Return to Work to the December agenda as a Final Proposal. Motion was seconded. Motion passed unanimously.

13. 2018 CALENDAR ADOPTION

Proposed meeting dates for 2018 are before the Board for adoption.

MOTION

A motion was made to adopt the 2018 meeting dates as proposed. Motion was seconded. Motion passed unanimously.

BOARD MEETING MINUTES

NOVEMBER 15, 2017- FINAL



14. AGENDA ITEMS FOR FUTURE MEETINGS

Steve Nelsen, Executive Director, reviewed the agenda items and final presentations for the upcoming December meeting.

MOTION	Michael White asked the Board to consider another item for the December agenda, the topic of Off Duty LEOFF Employment. This came up in relation to the recent Las Vegas, NV concert shootings where off duty and out of state police and fire fighters stepped in to help. It was moved to add the topic of off duty LEOFF related service to the December agenda. Motion was seconded. Motion passed unanimously.
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MOTION	Chair Lawson asked the Board to consider the topic of McNeil Island Firefighters into LEOFF. Motion was made. Motion was seconded. Motion carried unanimously.
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15. POSSIBLE EXECUTIVE SESSION

At 2:43pm the Board moved to Executive Session for 30 minutes to discuss the Executive Director Evaluation.

ADJOURNMENT

MOTION	There being no further business a motion was made to adjourn the meeting. Motion was seconded. Meeting was adjourned at 3:16PM.
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NEXT MEETING	The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for December 20, 2017 at the DoubleTree by Hilton Olympia, located at 415 Capitol Way N, Olympia, WA 98501.
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BOARD MEETING MINUTES

DECEMBER 20, 2017- FINAL



TRUSTEE AND STAFF ATTENDANCE

In Attendance	Mr. Dennis Lawson, Chair – Central Pierce Fire and Rescue
Teleconference	Mr. Jason Granneman, Vice Chair – Clark County Sheriff’s Office
In Attendance	Representative Steve Bergquist – WA State Representative
In Attendance	Representative Jeff Holy – Spokane Police Department (Retired)
Absent	Senator Judy Warnick – WA State Senator
In Attendance	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
Teleconference	Mr. Pat McElligott – Pierce County Fire and Rescue
Teleconference	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	Paul Neal – Senior Research and Policy Manager
In Attendance	Ryan Frost – Research and Policy Manager
Teleconference	Tor Jernudd – Assistant Attorney General

CALL TO ORDER

The LEOFF Plan 2 Retirement Board met at the Washington State Investment Board Olympia, Washington on December 20, 2017. A quorum of the members was present at this meeting.

OPENING | Chair Dennis Lawson called the meeting to order at 9:29AM and requested those present to take a moment of silence to honor those who had fallen since the last the Board meeting, including those who were involved in the recent train derailment near Dupont, WA.

1. APPROVAL OF MINUTES

The minutes from November 15th are before the Board for approval.

MOTION | It was moved to approve the Board meeting minutes from November 15, 2017. Motion was seconded. The Board approved the minutes without objection.

2. ECONOMIC ASSUMPTION ADOPTION

Ryan Frost, Research and Policy Manager, presented on the topic of Economic Assumption Adoption, reviewing assumption change recommendations provided by the Office of the State Actuary. The Board is tasked with adopting economic assumptions every 2 years, with the last adopted changes occurring in 2011.

The following three options are before the Board today:

1. Adopt the recommended assumption changes.
2. Adopt the recommended inflation and salary growth assumptions, but adopt a lower investment return assumption of 7.3%

BOARD MEETING MINUTES

DECEMBER 20, 2017- FINAL



3. Do not adopt assumptions.

MOTION

A motion was made by Mark Johnston to adopt the recommended assumption changes. Motion was seconded by Jason Granneman. Discussed followed. Motion passed unanimously.

4. INTERRUPTIVE MILITARY SERVICE CREDIT STUDY

Ryan Frost, Research and Policy Manager, gave a final presentation on the issue of Interruptive Military Service Credit. The following policy options are before the Board:

1. Extend the waiver of contributions to cover all members who served in any capacity at a named conflict.
2. Make corrections to the current definition of "veteran".
3. Take no action at this time.

MOTION

A motion was made by Jason Granneman to adopt option 2 and make corrections to the current definition of veteran for LEOFF 2. Motion was seconded by Ade' Ariwoola. Discussion followed. Rep. Bergquist made an amendment to the motion so that the Bill title would be broad enough to allow an amendment in the House without amending the title. Amendment was agreed upon by the Board. Motion passed unanimously.

5. DISABLED MEMBERS RETURN TO WORK

Ryan Frost, Research and Policy Manager, gave a comprehensive report on the issue of disabled members returning to work. The policy issues before the Board are:

1. A member will continue to receive their disability benefit while they are in the appeals process
2. The employer will be billed for the disability payments made to the member while they were in the appeals process.
3. Take no action at this time.

MOTION

A motion was made by Rep. Holy to adopt 2. Discussion followed. Motion was seconded by Rep. Bergquist. Discussion followed.

MOTION

Pat McElligott made a motion to table this motion. Motion was seconded by Jason Granneman. Rep. Holy and Rep. Bergquist voted no. Motion passed.

6. MCNEIL ISLAND FIRE FIGHTERS

Paul Neal, Senior Research and Disability Manager, gave a presentation to the Board on the topic of McNeil Island Fire Fighters. These fire fighters work for a state agency and are currently PERS members. Most state agencies are not LEOFF employers. The following policy options are before the Board:

1. Expand definition of employer for prospective service only.
2. Expand definition of employer with option to transfer prior service.
3. Further study in 2018 interim.
4. No further action at this time.

BOARD MEETING MINUTES

DECEMBER 20, 2017- FINAL



MOTION | Michael White moved to adopt option 4 and take no action at this time. Motion was seconded. Motion passed.

7. DEFINITION OF CHILD

Paul Neal, Senior Research and Disability Manager gave a presentation to the Board on the issue of definition of “child”. The current LEOFF definition for “child” excludes children adopted after a member retires. Children adopted after retirement do not qualify for member death and disability benefits. The following options are before the Board:

1. Amend definition of child for LEOFF Plan 2 only.
2. Work with SCPP to amend definition of child for LEOFF Plans 1 and 2.
3. Take no further action at this time.

MOTION | Mark Johnston moved to adopt option 3 and take no further action at this time. Motion was seconded. Motion passed unanimously.

8. OUT OF STATE DUTY

Ryan Frost, Research and Policy Manager gave a preliminary report on the issue of off-duty members who are injured while performing service in response to an out-of-state mass casualty incident are not entitled to LEOFF 2 duty disability benefits. The following policy options are before the Board:

1. Expand the level of pension benefits for members who become injured while providing lifesaving care in an out-of-state “mass casualty” event.
2. Take no action at this time.

MOTION | Michael White moved to adopt option 2 and take no further action at this time. Motion was seconded. Motion passed unanimously.

9. CATASTROPHIC DISABILITY MEDICAL INSURANCE

Paul Neal, Senior Research and Disability Manager gave a presentation to the Board on the topic of Catastrophic Disability Medical Insurance, reviewing current law and medical premiums. The question of whether the Board wants staff to provide updated cost analysis was asked in his presentation.

MOTION | Mark Johnston moved to push this issue forward to the next step of a follow up presentation at the November meeting. Motion was seconded. Motion passed unanimously.

10. ADMINISTRATIVE UPDATE

MOTION | A motion was made to move the issue of Disabled Members Return to Work to the December agenda as a Final Proposal. Motion was seconded. Motion passed unanimously.

11. BOARD OPERATING POLICY

Jessica Burkhart, Administrative Services Manager, presented a new policy to the Board for adoption. The Board does not currently have a policy in place to evaluate the Executive Director.

MOTION | A motion was made to adopt the proposed Board policy. Motion was seconded. Motion passed unanimously.

BOARD MEETING MINUTES

DECEMBER 20, 2017- FINAL



12. AGENDA ITEMS FOR FUTURE MEETINGS

Steve Nelsen, Executive Director, gave an administrative update to the Board. Meetings during the months of legislative session will be held electronically, via teleconference and WebEx.

RECOGNITION	Trustee Mark Johnston passed the NCPERS Accredited Fiduciary exam and completion of the program.
OUTREACH	Director Nelsen was asked to present at the Opal Financial Summit in January.

13. POSSIBLE EXECUTIVE SESSION

At 11:35AM the Board moved to Executive Session for 15 minutes to discuss the Executive Director job description. At 11:59PM the Board notified the public in attendance that the executive action will continue for another 10 minutes. Meeting was called back to order at 12:11PM.

MOTION	Rep. Holy made a motion increase the Executive Director salary to the top of band 4, including any COLA adjustments that may be due. Motion was seconded. Motion passed unanimously.
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ADJOURNMENT

MOTION	There being no further business a motion was made to adjourn the meeting. Motion was seconded. Meeting was adjourned at 12:13PM.
NEXT MEETING	The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for January 17, 2018 at the Washington State Investment Board in Olympia, located at 2100 Evergreen Park Drive SW Olympia, WA 98502.