

BRIGETTE K. SMITH
Executive Secretary



JAY HUGHES
Interim Board Chair

STATE OF WASHINGTON
BOARD FOR VOLUNTEER FIREFIGHTERS & RESERVE OFFICERS
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October 21, 2011

The 229th regular meeting of the Board for Volunteer Firefighters and Reserve Officers was convened at 9:00 A.M. in Suite #112 in the James R. Larson Forum Building by Interim Chair Jay Hughes, Board Member Miland Walling, Board Member Martin Spani, Board Member Brian VanCamp, Assistant Attorney General Kyle Crews, Actuarial Analyst Lisa Wan, Actuarial Analyst Michael Harbour, Senior Investment Officer Diana Will, Executive Director Theresa Whitmore, Tamara Donovan (Mason Co. FPD #13), Claims Analyst Julie Foreman, Confidential Secretary Danice Ragland, Pension and Payroll Specialist Irene Keiffer, and Executive Secretary Brigette Smith present.

The Board reviewed the July 15, 2011 Regular Meeting Minutes. It was moved by Spani, seconded by Walling, and carried that the minutes be approved.

Secretary Smith asked that the Board adjust the agenda to discuss the State Investment Board Report and the Actuary's Report before "Old Business" to accommodate the guest's schedules.

FIRST HEARING OF THE PUBLIC

There were no requests to speak.

STATE INVESTMENT BOARD'S REPORT

Diana Will, from the Washington State Investment Board (SIB), provided some history about the SIB and updated the Board on Fund 614, the benefit fund. She informed the Board that all retirement funds are co-mingled and that there are actually two funds that they manage investments for that are smaller than the BVFF's. They do invest in real estate, but do not own individual homes. The real estate that is owned by the state consists mainly of warehouses and properties. For example, they own 1 Union Square in Seattle. The state also owns small pieces of Skype and Facebook. Ms. Will also reported that the return from investments is expected to be around 7.5% for last year, which is a little more than expected. About 75% of what the SIB makes is from investment earnings, and all retirement benefits paid for all systems last year equaled about 2 billion dollars.

Lisa Wan and Mike Harbor, from the Actuary's Office, presented the Board with the 2010 Pension and Relief Valuation. They stated that they enjoyed working on the relief valuation and were hoping to do even more in the future. For example, they would like to do projections for the future cost of medical. What could the relief fees look like into the future so that we could smooth them like we do the pension fees to stabilize the fee rather than seeing the swings in the rates that we currently see?

The Actuaries also reported that the Board saw a 2010 Investment return of 10.4%. It is anticipated that we will see a return of approximately 21% for 2011. In 2010, the Board had 30% of its assets in cash. Since then, the Board has decreased its cash holdings to 15%. The Actuary's Office said they would not recommend assumption changes at the current time, but they would keep a close eye on the fund to see when changes should be considered. They did state that it appeared that the current pension rates did seem reasonable, but that the Board may want to consider increasing the relief rate fee.

Diana Will, Lisa Wan, and Mike Harbor all left the Board meeting. The Board recessed for a small break from 10:30 through 10:40.

OLD BUSINESS

Secretary Smith informed the Board that she had not been contacted by TJ Nedrow, Washington State Firefighters Association, about workgroup scheduling. It is a difficult time of the year to try to begin scheduling because of the impending legislative special session and the holidays. She said she anticipated that the workgroup would become more active after the regular legislative session.

The Board reviewed further documentary evidence attempting to prove service for William Leslie, Klickitat Co. PFD #1. After reviewing all of the documentation submitted to date, it was moved by Watenpaugh, seconded by Spani, and carried, that the documentation was not sufficient enough to prove additional service. The Board requested that Secretary Smith work on drafting a checklist letter to help members know what documentation is sufficient and what is not to try to help them when going through the process.

Secretary Smith discussed the extension of the moratorium on the development and adoption of new WAC's. Since the Board developed a WAC about the appeals process a year ago, its adoption has had to be placed on hold until the Governor decided to lift a ban on the WAC process except for a few specific reasons. While this most recent moratorium did expand the reasons that an agency could continue to seek adoption, the Board's WAC didn't clearly fit into one of the listed exemptions. The only clear way the Board could continue the process with the WAC would be at a constituent's request. While the Board did work with constituents on drafting the WAC, none have come forward to request that we continue with the adoption.

The Board recessed into an executive session from 10:50 through 11:30 to discuss potential litigation.

Upon reconvening, it was moved by Spani, seconded by Watenpaugh, and carried, that Deanna Bricker, Thurston Co. FPD #11, be granted a final award of \$50,000 to settle all outstanding medical bills and disability compensation. In return, her claim will be irrevocably closed.

NEW BUSINESS

Secretary Smith introduced the Board's newest member, Brian VanCamp. Mr. VanCamp will fill the position left vacant by Ken Boad upon his retirement. Member VanCamp is currently the fire chief of Thurston Co. FPD #8. He served as a volunteer firefighters for 25 years before becoming the chief. In speaking to the Board, Mr. VanCamp said he was excited to be on the Board and looking forward to many years of service.

Secretary Smith talked with the Board about the special legislative session that was scheduled to begin shortly after Thanksgiving. So far, there have been no surprises in legislation affecting the Board. According to the Governor's proposal, the agency would have to cut 2% from its current budget. The cuts would specifically have to come from the payment to other state agencies, which could be a little tricky since the agency has no ability to change what the other agencies charge. The agency can't stop using the internet, or phone, or paying to print payroll. Those amounts are all pretty fixed. Despite this, Secretary Smith says that the agency will be able to cut its budget and continue to work to a similar level as before. There may be some additional delays, but all work will be prioritized and payments to firefighters will continue to be the agency's top priority and will continue to go out in a timely fashion.

The Board reviewed a request for a PPD award for Jerry Beck, Island Co. FPD #3. After review, it was moved by Watenpaugh, seconded by Walling, and carried, that the Board award Mr. Beck a PPD award of \$9,008.55 for his fire service injury upon receipt of an original, signed invoice voucher.

Secretary Smith shared the results of the Annual Survey with the Board. The results were positive and consistent with last year. Ninety-eight percent of departments benefit recipients, and retirees rated their over-all opinion of the Board as above average to excellent. A few of the comments were:

- "I have always received excellent service from anyone and everyone there. Other agencies would be proud to display ½ the customer service the gals there do!!!"
- "Are you kidding? Your organization could not be any more perfect!"
- "There's always room to improve, but I don't know how!"

Interim Chair Hughes thanked all of the staff for their continued hard work and dedication. He has heard lots of compliments about the staff wherever he goes.

The Board reviewed the results of the Actuarial Survey and determined that the 2012 fees for EMSD's and Reserve Officers should be \$120 for the pension fee (\$30 member fee + \$90 municipality fee) and \$150 for the disability fee. In addition, they reviewed the cost of claims for members over the age of 65, and found no current increased liability to insure the Retire/Rehire members. As a result, it was moved by Watenpaugh, seconded by Hughes, and carried that there be no surcharge for Retire/Rehire members for 2012 and that the pension fees be \$120 per person and the relief fees be \$150 per person.

The Board discussed the meeting dates for 2010. After checking calendars, it was decided that the 2011 meeting dates be set for January 27, April 20, July 20, and October 19.

Secretary Smith asked the Board to elect a new Board Chair. Jaymes Hughes was serving as the interim chair until the new board member could come onto the Board and a new regular board chair could be elected. It was moved by Walling, seconded by Spani, and carried, that Jay Hughes be elected the new board chair.

The Board reviewed the following service level agreements and contracts:

- Department of Enterprise Services (DES) to transfer our DOP for Human Resources contract to DES
- DIS for Shared Services Email (which will transfer to DES at some point)
- Washington Fire Commissioner's Association for our office space lease

The Board reviewed Secretary Smith's leave and pay records.

The Board reviewed and approved (Walling moved, Spani seconded) the administrative expenditure vouchers numbered (2413 through 2480) and various travel vouchers.

There was a motion by Watenpaugh, seconded by Walling, and carried that the retirement pensions and lump-sum settlements listed below be approved effective on the listed dates:

		<u>Effective Date</u>	<u>Amount</u>
Andrews, Gary M.	King #40	3/24/11	2,074.81 Lump
Ashurst, James W	Northport	6/12/11	1,168.76 Lump
Baker, Sandra	Snohomish #25	7/1/11	300.00 @ age 67
Ballard, Melissa (Gregory)	Kittitas #7	4/25/10 SURV	109.18
Benjamin, Fred C.	Cle Elum	8/3/11	300.00 @ age 65
Bentley, Edward L.	Central Kitsap	10/1/10 J/S	246.90 @ age 65
Berkley, Burt	Kettle Falls	8/5/11	3,587.42 Lump
Bjornstad, Leonard	Whatcom #14	6/14/11	58.52 @ age 62
Blankenship, Perry	Adams #7	8/25/11	252.00 @ age 63
Bransford, Philip	Kirkland	7/24/11 J/S	242.10 @ age 65
Breuer, Peter A	Stevens #7	7/22/11	5,865.34 Lump
Budweg, Robert H	Stevens #2	7/28/11	59.50 @ age 65
Cartwright, Randy D	Stevens #1	9/1/11	121.50 @ age 60
Cattin, Jack	Chelan #1	3/8/11	186.40 @ age 64
Coats, William G	Stevens #1	8/18/11 J/S	246.90 @ age 65
Cram, Herbert	La Conner	5/26/11	4,331.53 Lump
Debuhr, David	Lewis #8	7/11/11	2,978.84 Lump
Erickson, Eric	Pierce #16	8/13/05	2,791.42 Lump
Farrow, Gary	Whatcom #7	7/19/11	4,073.68 Lump
Fluke, Steve	Pacific #3	7/4/11	228.00 @ age 62
Flammang, Kenneth A	N. Whatcom F&R	5/15/11	204.00 @ age 61
Gorman, John	Yakima	6/1/10 J/S	162.96 @ age 65
Grove, James L	Skagit #13	9/20/11	300.00 @ age 65

Hadaller, Loranda	Lewis #3	6/27/11 SURV	747.04 Lump
Hammel, John	Grays Harbor #10	7/13/11	3,032.42 Lump
Hansen, Connie R	Snohomish #17	9/30/11	5,306.73 Lump
Hendricks, Gilbert	City of Zillah	5/10/11	3,910.22 Lump
Heston, John R	Grant #13	3/25/11	135.00 @ age 65
Hille, Dennis K	Adams #7	7/26/11 J/S	227.15 @ age 64
Hilton, Leonard A	Lewis #3	9/19/11 J/S	149.22 @ age 65
Hink, Sr. Richard	Kittitas	9/23/11	180.00 @ age 60
Hinshaw, Margaret	Grant #5	8/2/11 SURV	142.97
Inman, Larry R	Colville	8/1/11 J/S	149.22 @ age 60
Johns, Miles S	La Conner	12/8/10	70.56 @ age 63
Johnson, Terry V	Snohomish #21	9/8/11	300.00 @ age 65
Jones, Darrell	Clark #12	8/11/11	3,850.25 Lump
Katsel, Daniel C	Waitsburg	7/19/11	126.00 @ age 60
Keck, Ralph L	Pierce #8	8/20/11	228.00 @ age 62
Kimball, Neal R	Spokane #4	8/8/11	202.50 @ age 65
Keyes, Richard H	Woodinville F&R	9/12/11	73.50 @ age 65
Koops, Robert E	Skagit #8	10/20/11	290.00 @ age 65
Kopenen, Forrest	Cowlitz #1	9/18/11	3,850.25 Lump
Krumsick, Sharon M	Walla Walla #5	9/21/09	63.00 @ age 65
Lagergren, Donald	Pacific #6	8/15/11 J/S	204.87 @ age 63
Lagergren, Linda M	Pacific #6	7/18/11	3,847.36 Lump
Lavold, Randell O	Lewis #7	7/21/11	2,842.27 Lump
Lippert, Robert D	Electric City	7/20/11	228.00 @ age 62
Loid, Robert	King #45	8/11/11	3,850.25 Lump
Loomis, Gerald	Buckley	9/5/11	4,331.53 Lump
Maak, Leo R	Spokane #8	8/27/11	5,454.23 Lump
Mackie, Ervin D	King #47	5/5/11	300.00 @ age 65
Makinson, Dwane	Walla Walla #5	9/12/11	148.20 @ age 62
Maks, Donald J	Enumclaw	5/8/11 J/S	109.93 @ age 61
May, Paul H	Spokane #8	10/1/11	187.50 @ age 65
McGuire, Melvin E	Yakima (Police)	9/20/11	135.00 @ age 60
McKinley, John B	Jefferson #2	9/28/11	300.00 @ age 65
McLaughlin, Danny L	Yakima #3	11/5/09	3,300.58 Lump
McNett, Diane M	Grays Harbor #14	8/30/11	5,865.34 Lump
Melton, Gary W	Skagit #8	8/30/11	230.00 @ age 64
Moore, Thomas R	Whatcom #13	6/6/11	228.00 @ age 62
Myers, Gary B	Pierce Sheriff	8/1/11 J/S	245.40 @ age 65
Pedersen, Douglas A	Yakima #12	8/6/11	187.50 @ age 65
Richter, Walter R	Union Gap	9/8/11	300.00 @ age 65
Ritchey, Rolla L	Skagit #2	8/16/11	300.00 @ age 65
Sanchez, Richard	Okanogan #5	4/12/11	4,748.13 Lump
Sorenson, Paul J	Kittitas F&R	3/26/11	300.00 @ age 65
Steinhoff, Steven S	Dayton	7/2/11	5,865.34 Lump
Thomas, Peter M	Yakima #13	3/1/11	54.00 @ age 60
Tillett, Frank G	Yakima #6	7/6/11	204.00 @ age 61
Timmermans, Linda S	Yakima #5	1/21/10 SURV	131.04
Troxel, Jon E	San Juan #5	5/1/11	202.50 @ age 65
Ulrick, David A	Whitman #3	8/21/11 J/S	250.50 @ age 65
Urakawa, Michael S	Yakima #14	8/5/11	187.50 @ age 65
Weber, Harold	Yakima #4	6/19/11 J/S	191.75 @ age 62
Weber, Terry	Stevenson	6/21/09	3,300.58 @ age 65
Wiley, Roger P	Kitsap #7	7/23/11	300.00 @ age 65
Wyninger, Gregory H	Skamania #1	6/7/11	228.00 @ age 62
Zwiesler, Fred G	Yakima #5	6/26/11 J/S	250.50 @ age 65
Thompson, John T.	Yakima #3	10/29/10	290.00
Vanburen, Grant A.	Lincoln #5	2/10/11	228.00 @ age 62

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Vlk, Mark E.	Wahkiakum #1	1/30/11 J/S	231.30
Visnaw, R. Kent	Carbonado	5/09/09	230.00
Wime, Vernon J.	Ephrata	1/11/09 J/S	195.40 @ age 62
Wingen, Dave	Skagit #9	10/11/10	195.00
Woods, Mike	Klickitat #5	10/10/10	300.00
Workman, Leonard W.	Lewis #3	1/13/09	2,420.43 Lump

SECOND HEARING OF THE PUBLIC

No one present wished to speak.

There was a motion by Spani, seconded by Watenpaugh, and carried that the meeting be adjourned at 12:30 p.m.

Brigette K. Smith, Executive Secretary