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JAY HUGHES
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STATE OF WASHINGTON
BOARD FOR VOLUNTEER FIREFIGHTERS & RESERVE OFFICERS
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The 243rd regular meeting of the Board for Volunteer Firefighters and Reserve Officers was convened at 9:00 A.M. in Suite #207 in the James R. Larson Forum Building by Chair Jay Hughes, with Board Member Mark Watenpaugh, Board Member Martin Spani, Board Member Brian VanCamp, Board Member Miland Walling, Senior Actuarial Analyst Michael Harbour, Actuarial Analyst Kyle Stineman, Deputy State Actuary Lisa Won, Senior Policy Analyst Aaron Gutierrez, Senior Investment Officer Allyson Tucker, Washington State Firefighter's Association Legislative Chair TJ Nedrow, Washington State Firefighter's Association Lobbyist Tamara Wanke, Executive Secretary Brigette Smith, and Assistant Attorney General Tsering Cornell present.

The Board reviewed the July 10, 2015 Meeting Minutes. It was moved by VanCamp, seconded by Spani, and carried that the minutes be approved.

Secretary Smith asked that the Board change the agenda order to accommodate the guests. She requested that the Board move a discussion and review of a Board Statement regarding part-time and stipend volunteers to executive session in order to receive legal advice, and that the executive session move to the end of the agenda.

FIRST HEARING OF THE PUBLIC

Washington State Firefighter's Association Legislative Chair TJ Nedrow addressed the Board and said that he wanted to be present to let the Board know that they were monitoring the recent increase in firefighter claims for injuries related to illegal activities. He stated that he has talked with Secretary Smith regarding the issue and knows that it is a process the Board is working through, and he's confident it will be worked out. The WSFFA is just monitoring the situation at this time.

OLD BUSINESS

Secretary Smith updated the Board regarding the Buy-back policy that was mailed out to all departments on July 24, 2015. To date, Secretary Smith has received no feedback regarding the policy, either positive or negative.

NEW BUSINESS

Senior Investment Officer Analyst Allyson Tucker updated the Board on the Washington State Investment Board. She reminded them that this was her fourth visit with the Board, and that the handout format was basically the same in previous years. This time, however, there had been more changes than usual with the SIB's Executive Board. Eight of the ten voting members had changed, and two of the four executives retired. So, they were going through a growth process. The SIB manages thirty-five funds total, and last year's rate of return on investments was 17%. This year's return was only 4.9%. They have changed some of their investment allocations. For example, they increased their investment in real estate and decreased their investments in innovations. Even with the changes, Washington State is still in the top ten states in funding. A quarterly report is available online for anyone wishing for more detailed information. The Board did express concern about the investment in international markets and the impact that would have on the funding status of the pension systems. Ms. Tucker thanked the Board and left the meeting at 9:35 am.

Members from the Office of the State Actuary updated the Board on all of the changes happening within their office. Lisa Won recently was promoted to the position of Deputy State Actuary. The office also recently contracted with Legislative Support Services to produce the BVFF's Actuarial Report. It is still prepared by the OSA, but the actual publication is prepared by Support Services. This valuation looks at data through June 30, 2014. It will not include information gathered as a result of the Demographic Experience Study completed in 2015. In summary, the pension rate decreased 26%, and

the relief rate decreased 13%. The BVFF plan is fully funded. It was interesting to note that there was a higher turn-over rate than expected, and medical expenses were more than anticipated. The actuaries are mindful of the Board's desire to continue to try to pre-fund the relief. Actuarial Analyst Kyle Stineman explained to the Board that there were really only a couple things from the 2015 Economic Experience Study that would affect the Board. One was the regional inflation rate, and the second was the investment rate of return. At this time, the office was not recommending any changes. However, once the OSA had the opportunity to review everything, they would be recommending new administrative factors to the Board in 2016. Secretary Smith requested that they try to present the new factors to the Board at the July 2016 meeting to give the Board the opportunity to complete the WAC process in time to have a hearing at the October 2016 meeting so they could take effect January 1, 2017. The actuaries informed the Board that they would do their best to meet that timeframe.

Senior Policy Analyst Aaron Gutierrez introduced himself to the Board. He works as the Staff Coordinator for the Select Committee on Pension Policy. The committee consists of both legislators and stakeholders and they work on matters that affect pensions in the state. He informed the Board that it isn't very often that the committee is asked to work on matters pertaining to the BVFF, however they have had a few matters come before it in the last couple of years. He invited the Board to attend the next meeting on October 20, 2015. He noted that there was something on the agenda pertaining to the committee and looked forward to receiving any correspondence that the Board would like to provide. Member VanCamp asked Secretary Smith to send him information on the meeting so that he could try to attend.

All representatives for the Office of the State Actuary left the meeting.

The Board reviewed and approved (Walling moved, Spani Seconded) the following Pension Participation Waivers:

- Markthor R. MacFarlane, Riverside Fire Authority, January 1, 2015 through March 7, 2015
- Eunice Randall, Mason Co. FPD #6, January 7, 2015 through July 28, 2015

It was moved by Walling, seconded by Spani, and carried that the above pension participation waivers be granted.

The Board reviewed a contract entered into by Secretary Smith with CodeSmart to continue to provide IT support for the Pension and Relief System.

The Board reviewed the Annual Survey results. Ninety-two percent of the respondents stated that their over-all opinion of the BVFF's service was above average to excellent. The comments this year again reflected that the office was very courteous and worked hard. The staff provided good answers, but they did notice that it was taking a little longer to process things than it had in the past.

The Board reviewed the Actuarial Survey and discussed what the 2016 pension and relief fees for EMSD's and Reserve Officers should be. It was moved by Watenpaugh, seconded by Spani, and carried, that the 2016 fees for EMSD's and Reserve Officers should be \$135 for the pension fee (\$30 member fee + \$105 municipality fee) and \$235 for the disability fee, and that there be no surcharge for retire/rehire members.

The Board discussed the meeting dates for 2016. After checking calendars, it was decided that the 2016 meeting dates be set for January 8, April 15, July 8, and October 14. Member VanCamp stated that his department uses "Doodle Poll" to try to confirm meetings. He suggested that we try to, and said that he'd have his secretary, Heidi, email us with information.

The Board went into executive session at 10:30 am for about 10 minutes to discuss legal advice regarding part-time participants and stipends. At 10:40 am, the Board recessed for a short break.

The Board reconvened at 10:45 am.

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

The Board reviewed and approved (Spani moved, Watenpaugh seconded) the administrative expenditure vouchers numbered #00798 through #00850 and various travel vouchers.

There was a motion by VanCamp, seconded by Spani, 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>
Alvarado, Pedro M	Mabton	8/1/15	202.50
Anderson, Frank A	Tenino	9/11/15	157.50
Avenell, Jacob	Douglas #5	7/18/15	300.00
Babb, Arland J	Rosalia	8/16/15	300.00
Barnes, Randy E	White Salmon	9/5/15	276.00 @age 64
Baskins, Jack R	Clallam #2	8/21/15	228.00 @age 62
Berger, Debbie (Cary)	Stevens #1	6/9/15 SURV	3016.46 Lump
Biggers, Michael	San Juan #3	3/19/15	4331.53 Lump
Bogar, Cal	Raymond	7/14/15	252.00 @age 63
Brodrick, Richard	Spokane #4	9/19/15	300.00
Busch, Penny J	Island #3	7/17/15	3609.61Lump
Coldeen, Chris	Vashon IS Fire	7/8/15 J/S	54.40
Coulter, Robert	East Jefferson F &R	5/16/15 J/S	255.60
Dell, Amalie E	Pierce #15	8/12/15	3609.61 Lump
Dietrich, Rebecca S. (Robert)	East Jefferson F&R	6/29/2009 SURV	1941.91 Lump
Durfee, Laurie (Stuart)	Walla Walla #6	5/17/15 SURV	87.79
Erickson, Irene M	Whatcom #9	7/25/14	70.00
Feay, Russell J	Skagit #9	4/5/15	70.00
Frye, David W	King #10	2/28/15	3495.70 Lump
Furth, Steve	Grays Harbor #10	7/30/14	5865.34 Lump
Grant, David S	Blaine	6/9/15	195.00
Hackenberg, Ernie	Stevens #11	6/25/15	3997.38 Lump
Heminger, Carol D	Mason #1	12/12/14	4090.68 Lump
Hart, James	Pacific #5	6/2/15	187.50
Herres, Steve	Pomeroy	5/7/15	77.00
Hobbs, Fredrick	Grant #3	5/11/15	5586.03 Lump
Hocter, John F	Klickitat #7	7/7/15	300.00
Holverson, Elton J	Castle Rock	9/4/15	228.00 @age 62
Hoover, Stephen	Cowlitz #1	8/29/14	4812.82 Lump
Hubert, David	Pend Oreille #2	8/19/15	187.50
Huesties, Rebecca J	Cowlitz-Skamanian #7	6/14/15	300.00
Jacques, Carola (James)	Long Beach	7/6/15 SURV	5062.69 Lump
Jensen, Allan L	Whatcom #7	9/26/15	148.20 @age 62
Johnson, Donna M	King #10	7/5/15 SURV	5019.45 Lump
Lano, Michael	Montesano	9/28/15	3311.50 Lump
Linden, Kenneth R	Klickitat #7	6/25/15	217.50
Lindsey, Walter M	Yakima #12	8/1/15 J/S	240.30
Mcendoo, III, Robert W	Cosmopolis	9/6/15	2553.62 Lump
McGinnis, Douglas T	Lewis #7	2/16/14	195.00
McKeirnan, Ray J	Garfield #1	6/12/15	157.50
Molitor, David E	Douglas #4	6/1/15	195.00
Oja, Donald	Clark #3	9/4/10	3790.09 Lump
Olson, Carol J	Skagit #7	7/13/15	187.50
Page, Tom	Lincoln #7	8/20/11	5053.46 Lump
Pannkuk, Arthur	Riverside FA	5/21/15	84.00
Pursel, Randall L	Snohomish #19	4/9/15 J/S	63.37
Ramsey, Chris	Spokane #11	2/1/15	300.00
Robertson, Daniel L	Mukilteo	4/12/13	4090.89 Lump
Rogers, Ira T	Grays Harbor #17	8/12/15	172.50 @age 64
Royal, III, Charles M	Kittitas #8	7/1/15 J/S	228.80 @age 64
Salter, William M	NO Whatcom F&R	8/11/15	77.00

Schmick, Marvin R	Whitman #6	5/8/15	300.00
Scott, Bruce	Raymond	4/30/15	252.00 @age 63
Slothaug, Idar	NO Kitsap F&R	7/28/15	2406.41 Lump
Smith, Robert L	Cosmopolis	7/6/15	300.00
Smith, William S	Cosmopolis	7/6/15	300.00
Stevens, Jack	Okanogan #4	7/14/15	204.00 @age 61
Stewart, Donald R	Pierce #23	12/23/14	126.00 @age 60
Stewart, Leonard L	Yakima #5	4/25/15	300.00
Sutton, Leslie R	Okanogan #3	7/17/15	252.00 @age 63
Tchobanoff, Daniel	Steilacoom	6/2/14	2887.69 Lump
Thompson, David B	Skagit #12	6/15/15	195.00
Vik, David L	Wahkiakum #1	9/20/15 J/S	243.60
Welch, John G	Snohomish #8	9/13/15	4090.89 Lump
Wik, Pamela	King #28	10/2/14	4090.89 Lump
Wilcox, Richard D	Pacific#5	6/1/15	142.50 @age 62
Wilken, Hilda (Craig)	Lincoln #1	1/17/15 SURV	91.23
Winsor, Robert A	Clark CO SO	3/13/09 J/S	266.70

At 11:20 am, the Board recessed for a short break.

The Board reconvened at 11:40 am.

The Board went into executive session at 10:40 am for about an hour to discuss legal advice regarding part-time participants and stipends and injuries incurred as a result of, or while participating in, illegal activities, the Executive Secretary's Annual Evaluation, and potential litigation.

The Board came back to regular session at 12:47 pm. The Board requested that Secretary Smith and AAG Cornell work together to begin drafting a Board Policy regarding illegal activities. Secretary Smith and AAG Cornell said they would try to have a first draft ready for the January Board Meeting.

After receiving legal advice regarding part-timers and mobilization fires, a motion was made by VanCamp, seconded by Watenpaugh, and carried, that Secretary Smith prepare a letter to the Select Committee on Pension Policy for Chair Hughes' approval. After review and comments, Chair Hughes could sign on behalf of the Board. If for any reason his signature could not be obtained, Secretary Smith was authorized to sign on behalf of the Board.

GOOD OF THE ORDER

No one had anything to share.

SECOND HEARING OF THE PUBLIC

No public was present.

There was a motion by Spani, seconded by VanCamp, and carried that the meeting be adjourned at 12:55 pm.

Brigette K. Smith, Executive Secretary