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The 219th 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 Board Chair Ronald Ayres, Board Member Ken Boad, Board Member Jay Hughes, Board Member Mark Watenpaugh, Board Member Martin Spani, Assistant Attorney General Kyle Crews, Executive Secretary Brigette Smith, Confidential Secretary Tracy Thornburg, Stan Loertscher (Mason FPD #13), Tamara Warnke (Washington State Firefighter's Association), Associate Pension Actuary Chris Jasperson, and Actuarial Assistant Michael Harbour present.

The Board reviewed the April 17, 2009 regular meeting minutes. It was moved by Spani, seconded by Hughes and carried that the minutes be approved.

The agenda was reviewed and a discussion regarding the payment of beginning retirement pensions under \$10 was added under New Business.

FIRST HEARING OF THE PUBLIC

No one asked to speak.

OLD BUSINESS

Associate Pension Actuary Chris Jasperson and Actuarial Assistant Michael Harbour talked at length with the Board about the new mortality rates that they are using, how they effect the BVFF pension, and how the recent downturn in the stock market has effected the value of the BVFF assets. Mr. Jasperson reported that people are living longer since the last time that the Board considered mortality rates in 2004. People are now living an additional year or two longer than before. Anytime people live longer, they draw more money from the pension system. While the Actuary's Office already calculates the longer lifetimes into their annual valuation calculations, the Board has not yet changed their mortality rates for their pension tables to match the actuarial changes. Mr. Harbour discussed the negative impact that the stock market has had on the Board's valuation. While the BVFF observed a -.07% return from investments in 2008, the Comingled Trust Fund (CTF) suffered a 1.22% loss. For the year 2009, the BVFF has had a -16% return, and the CTF had a -20% return. So, while the BVFF has suffered some losses, it is still better off than most of the other pension systems. This is due, in a large part, to the cash balance that the Board had with the Treasury. In addition, the Board adopted some progressive changes in actuarial methods last year that helped to minimize some of the impacts. He stated that the bottom line was that the plan was "well positioned to endure the current market declines".

The Board discussed the adoption of the new mortality rates into the pension tables. It was moved by Watenpaugh, seconded by Boad, and carried, that the Board authorize the State Actuary's Office to develop custom mortality improvements that more closely fit the life expectancies of members at or near retirement age. Once the Actuaries are able to provide Secretary Smith with new tables calculated with the new mortality rates, the Board will begin the WAC process to adopt the new tables.

The Board thanked Mr. Jasperson and Mr. Harbour for their continued work with them and asked if they could try to be available for a public hearing in case of questions. Mr. Jasperson stated that they would be happy to do so. Both Mr. Jasperson and Mr. Harbour left the meeting.

The Board recessed from 9:55 am to 10:00 am for a short break. Mr. Jasperson and Mr. Harbour both left the meeting.

Member Ken Boad talked about the Administrative Volunteer Committee meeting. He discussed how easy it was to work with everyone on the committee and how he really felt they've been making progress. Secretary Smith stated that the committee has come to a consensus in their recommendation that administrative personnel be allowed to participate in the disability portion of RCW 41.24 (at the full cost of participation) and that they be excluded from LODD benefits. In addition, the committee was recommending that any members who fit the following criteria be allowed pension participation:

- Responding to emergencies
- Having a task in the mitigation of the incident
- Having a task at an emergency scene that works within the Incident Command System
- Participating in training

Secretary Smith said that the committee was hoping the Board could review the minutes and the work of the committee so far and let the committee know whether the Board felt they could support the committee's current direction. The Board discussed the definition of "active" and whether it would apply. Ms. Smith stated that the Board would still be able to have pension participants adhere to a definition of "active" that would be the same for all participants that meet the above criteria. Most of the Board's discussion revolved around their concern that the term "training" could be too ambiguous and that anyone could still qualify. Both Secretary Smith and Tamara Warnke, a representative from the Washington State Firefighter's Association, felt that the committee would be happy to tighten the definition to include something like emergency services training, or fire, EMS, and/or law enforcement specific training. It was moved by Boad, seconded by Spani, and carried, that the Board support the direction the committee was taking with regards to administrative volunteers, but that the definition of training needed to be tightened a little before they could support it fully. They would also like to see the drafted legislation and the fiscal impacts before they could support taking it to the legislature.

Secretary Smith updated the Board on the status of the new database. The schedule is still behind, but everyone is hopeful that it can be in full production by the end of August. Because the schedule has been extended, the contracts for Quality Assurance and Project Management will also need to be extended. Ms. Smith said that she would work with the database contractor to see if they won't pay at least half of the costs to extend the contracts. While the project is behind schedule, Ms. Smith still felt that it was looking really good and was going to be a huge value for everyone. End user testing did take place and fire departments from around the area were asked to come and "test drive" the system. Secretaries and clerks with a wide range of experience came to help, and provided lots of feedback. Everyone who tried the system really liked it and couldn't wait for it to come online. Stan Loertscher's new secretary also participated in the test and she liked the system. Even though she had only worked for him for a couple of weeks, she was able to get through the whole remittance form process without any confusion. As a result, Secretary Smith felt that the intensive training that she originally thought everyone would have to go through may not be necessary. It may be enough to provide some manuals to all of the departments. So, while the contract extensions may cost some additional money, some money was likely to be saved in training.

The Board reviewed legislative actions that affect the Board. The most notable were the passage of the budget and the domestic partnership bill. Secretary Smith said that she was satisfied with the enacted budget. While the agency did lose some money in the budget, she felt the agency could still provide most services within the allotted budget amount. With the enactment of the domestic partnerships bill, the agency will treat registered domestic partners the same as married couples. The Staff has already researched the registration and separation process for domestic partners and will be ready to handle any cases that arise.

Secretary Smith talked with the Board about the agency's past practice of not requiring marriage certificates or birth certificates prior to the payment of pension or disability benefits. DRS requires members to submit certificates when marital status affects their benefit. The BVFF staff felt they should also begin requiring documentation. It was moved by Spani, seconded by Hughes, and carried, that the BVFF require documentation of marriages, domestic partnerships, births, or adoptions when the possession of those affects benefit amounts.

NEW BUSINESS

The Board reviewed a request for a permanent partial disability award for Scott Westover, Whitman Co. FPD #3 for an injury sustained on August 26, 2005. It was moved by Hughes, seconded by Watenpaugh, and carried

that Firefighter Westover be granted a PPD Award of \$ 19,027.60 for a 20% impairment of the right upper extremity.

Secretary Smith talked to the Board about a staff cost savings request that was brought to her by Pension and Payroll Specialist Irene Keiffer. When members first begin their pensions, they will often receive a partial warrant. While these partial warrants are sometimes for a larger amount of money, some of them are for a few dollars. The cost to print and process each warrant is about \$2.00. Ms. Keiffer suggested that the Board begin to combine any monthly pension payroll payments that total less than \$10.00 with the member's next regular warrant. It was moved by Boad, seconded by Hughes, and carried that any beginning month pensions that total less than \$10.00 be carried over to the first regular payroll warrant.

The Board reviewed a contract entered into with Technology Solutions Group (TSG) to provide statutorily required Security Audit services by Secretary Smith.

The Board reviewed a contract extension entered into with Logicalis to provide maintenance on our current Access Database System by Secretary Smith.

The Board reviewed a service agreement entered into with DIS to provide SAW (Secure Access Washington) services by Secretary Smith.

The Board reviewed an interagency agreement presented by the State Actuary's Office to provide annual pension and relief valuations. It was moved by Spani, seconded by Boad, and carried that Secretary Smith be authorized to sign the agreement.

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

The Board reviewed and approved (Boad moved, Spani seconded) the administrative expenditure vouchers numbered (1950-1977, with number 1913, which was on hold from a previous meeting, also being approved) and various travel vouchers.

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

		<u>Effective</u> <u>Date</u>	<u>Amount</u>
Ayre, Larry S.	Benton #1	5/12/09	131.10 @ age 62
Barnes, Paul	King #44	6/01/09	73.50
Bell, Bert	Columbia #3	9/11/07	5,584.30 Lump
Beneville, Bertram B.	Pierce #5	4/01/09	70.00
Berdan, Dennis	Chelan #1	5/18/08	4,968.02 Lump
Berkshire, Walter	Wahkiakum #3	4/08/09 J/S	250.80
Bitikofer, David F.	No. Bonneville	5/30/09 J/S	263.70
Boon, Dale	Cowlitz #1	4/01/09 J/S	163.44 @ age 60
Brennan, Michael D.	Cathlamet	7/19/09	228.00 @ age 62
Bridges, Byron C.	Grant #10	4/01/09 J/S	147.53 @ age 64
Chisholm, Charles A.	Spokane #10	4/01/09	300.00
Cloe, Sr., Pete	King #10	10/23/08	2,860.51 Lump
Cook, William A.	Skagit #8	6/18/09 J/S	235.20
Chrisman, Donald E.	Snohomish #21	8/08/09	300.00
Cropper, Ellis	San Juan #3	1/01/09	170.10 @ age 63
Donckers, Bonnie C.	King #47	11/2/08	300.00
Dixon, Thomas V.	Mukilteo	3/16/08	228.00 @ age 62
Dodge, Robert G.	Kittitas Valley F&R	4/09/09	300.00
Dykstra, Pete	Lewis #13	4/01/09 J/S	250.80
Eddie, James K.	Grant #5	1/29/09	300.00
Elliott, Chris	San Juan #4	10/11/08 J/S	63.99

Fugier, Larry E.	Stanwood	5/08/09	148.20 @ age 62
Glessner, Linn P.	Douglas #5	5/02/09	300.00
Goble, Gerald	Lewis #14	1/17/06	1,760.31 Lump
Hankins, Harry E.	Yakima #4	7/02/09	300.00
Hightower, Dennis A.	Eatonville	8/06/08	210.00
Hillstrom, Raymond	South Prairie	11/24/08	5,005.89 Lump
Hooper, James, V.	Adams #5	3/03/09	3,520.62 Lump
Hughes, Patrick	King #10	11/5/08	3,740.66 Lump
Kalnoski, Larry	Lewis #8	12/11/08	3,465.61 Lump
Keith, David L.	Grays Harbor #15	6/02/09	300.00
Kessler, Leon	Cowlitz #3	11/4/08	1,760.31 Lump
Lacey, Don	Skagit #5	5/08/09	4,874.96 Lump
Laursen, Jack E.	Adams #5	4/04/09	4,828.75 Lump
Little, Elmer L.	Lincoln #5	6/01/09	77.00
Marshall, Richard	Jefferson #6	2/05/09	3,371.15 Lump
Massena, Charles J.	King #10	3/18/09	102.00 @ age 61
McDonald, Robert D.	Pierce #22	5/11/09 J/S	158.25
McMullen, Lee W.	King #26	2/26/09 J/S	252.00
Miller, Willis	Grant #11	2/01/09 J/S	257.10
Olson, Eric A.	Yakima #6	10/25/08 J/S	170.91
Pitman, Andre	Island #3	11/9/08	66.50
Poullin, Laura (Roger)	Lincoln #4	7/04/04 S	2,403.87 Lump
Ribary, Fritz	North Bend	2/04/09	3,960.70 Lump
Richter, Dwight E.	Columbia #3	3/26/09	276.00 @ age 64
Ridgway, David P.	Grays Harbor #10	3/24/09	290.00
Robertson, Sherrian (Don)	Buckley	1/02/09 S	121.62
Samples, Ned E.	Spokane #9	7/18/09	50.54 @ age 62
Sanford, Charles W.	Lewis #7	3/20/09 J/S	258.60
Scheele, Maurice	Whatcom #7	6/13/09	187.50
Schmidt, Paul	Stevens #1	12/29/08	2,129.15 Lump
Sheary, Rose E.	Grays Harbor #4 1	1/14/08	3,520.62 Lump
Terrill, George	Stevens #11	5/01/09	3,444.90 Lump
Uglow, Dennis M.	Mason #5	5/03/09	132.60 @ age 61
Veal, Arnold	Skagit #17	4/29/08	228.00 @ age 62
Vik, Terry	Wahkiakum #1	6/02/09 J/S	241.50
Walkup, Dennis	Grays Harbor #5	3/22/09	3,070.74 Lump
Whisler, Harriet	Lewis #8	7/21/07	3,080.55 Lump
Wilbur, Ronald	Thurston #3	5/27/09	3,271.70 Lump
Wilson, Veda (Robert)	Jefferson #5	4/17/09 S	102.05
Wirkkala, Larry W.	Ilwaco	9/21/07 J/S	150.48 @ age 60

SECOND HEARING OF THE PUBLIC

No public was present.

There was a motion by Watenpaugh, seconded by Spani, and carried that the meeting be adjourned at 11:15 a.m.

Brigette K. Smith, Executive Secretary