



STATE OF WASHINGTON
DEPARTMENT OF RETIREMENT SYSTEMS

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**DRS Advisory Committee
April 17, 2009
Meeting Minutes**

Chair Nancy Baldwin called the meeting to order at 9:34 a.m.

Committee Members Present:

Nancy Baldwin, Pat Dull, Michael Heavey, Darrell Heisler, Jonni Lissner, John Payne, Eva Jean Shamley and Richard Warbrouck..

Staff and Resource Personnel Present:

Director Steve Hill, Deputy Director Marcie Frost, Jeff Wickman, Cathy Cale, Michelle Hardesty, Gayle McGee, Dawn Gothro, Wilma Eby, and Beth Eerkes.

Approval of Minutes

A-1 Regular Meeting-October 17, 2008

Darrell Heisler made a motion, seconded by Pat Dull, to approve the October 17, 2008 meeting minutes as submitted. The motion passed unanimously.

Director Introduction and Update

Director Steve Hill introduced himself to the committee members. He retired from Weyerhaeuser Company where, as Senior Vice President of Human Resources, he led benefits, prevention, and health-care cost containment. He helped form, and served as president, of the Health Care Purchasers of Puget Sound, a group representing employers who sponsor health-care insurance. He also has served on the state's Hospital Rate Setting Commission. In 2005 Steve was appointed Director of the Health Care Authority (HCA). In January of this year, Governor Gregoire offered Steve a unique challenge — to head up two different organizations. The Governor did this with the idea of merging HCA and DRS, and over the next year there will be operational teams from both agencies to assess the viability of a merger. As for now, the two agencies will be operating separately. Director Hill hired Marcie Frost as Deputy Director for DRS to oversee day to day operations. He will focus the majority of his time on the Select Committee on Pension Policy (SCPP) and State Investment Board responsibilities.

Director Hill stated that the Advisory Committee is an excellent way to communicate information between DRS and retirement system members. He welcomes any feedback from committee members and encouraged participation in setting agendas for the meetings.

Discussion

B-1 Advisory Committee – Meeting Frequency & Purpose

Over the last few weeks Deputy Director Marcie Frost was able to speak with 10 of the 12 committee members to capture their thoughts and perspective for the upcoming Advisory Committee Meetings. Marcie shared the following information from her discussions.

Frequency of Meetings

- Quarterly – most frequent response
- Two meetings in person; third meeting by WebEx
- Three meetings – to acknowledge cost constraints everyone is facing

Meeting Purpose

- Information sharing between DRS and retirement system members
- Members can provide guidance as department develops new programs and services
- Use the committee to gather information prior to making a decision
- Assist committee members in responding to retirement system members
- Discussion of “hot topics”

Meeting Agenda

- Committee members help set agenda
- Pension legislation updates
- State Actuary, Investment Board and SCPP presentations
- Director’s report
- Merger updates
- Balance discussion/topics across all systems and plans
- Analytical information
- Round table

Other Comments

- “Advisory Committee” – use committee members in that capacity
- Pension issues are complex - without information people create their own facts
- Meetings are helpful for learning about different pension plans
- Members are committed to their role
- Appreciate that DRS is consistently striving to deliver a better product
- Create an orientation session for new members

Focus Areas

C-1 DRS Web Site Redesign

Gayle McGee, DRS Project Manager, presented information about the redesign of the DRS Web site. The work began in January 2009, using data collected from customer comments, best practices from peer Web sites and most often accessed pages and search terms. Gayle presented the home page prototype to the committee members and led a group discussion to gather

comments on the redesign. Gayle will take the comments and suggestions to the project team for review and report back to the committee on how the suggestions were used in the final design.

C-2 Administrative Factors – Member Communication

Cathy Cale, Senior Assistant Director of Operations, provided a packet of information about revised administrative factors. The factors are used to calculate adjustments to a retirement benefit when an individual chooses an option such as a survivor benefit or early retirement. The State Actuary's Office performs an experience study at least once every six years to determine these factors. The packet contained an example of the letter being mailed to retirement system members who received a benefit estimate in the past year, along with responses to frequently asked questions (FAQ) about how the factors might impact a benefit. The FAQs will be posted on the agency Web site.

C-3 Pension Legislation

Jeff Wickman, Senior Assistant Director of Policy reported that the final day of the regular 2009 legislative session is April 26. He provided an update of the status of pension bills as of April 17, 2009. Current information about pension bills is available on the DRS Web site at <http://www.drs.wa.gov/Legislative/>.

New Business

D-1 Round Table

Nancy Baldwin opened the meeting for any comments, questions or suggestion from the committee members. Committee members discussed several issues that retirement system members have contacted them about. DRS will follow up with requested information to the members.

D-2 June 19, 2009 Agenda Setting

The next meeting is scheduled for June 19, 2009 at 9:30 a.m. in the DRS Board Room. The committee members requested that a representative from the Actuary's Office and the State Investment Board be added to the agenda for June.

Approved:

Steven R. Hill, Director

Nancy Baldwin, Chair