



STATE OF WASHINGTON  
DEPARTMENT OF RETIREMENT SYSTEMS

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**DRS Advisory Committee  
December 4, 2009  
Meeting Minutes**

Chair Nancy Baldwin called the meeting to order at 9:37 a.m.

**Committee Members Present:**

Nancy Baldwin, Pat Dull, Michael Heavey, Darrell Heisler, William Hilton and Richard Warbrouck.

**Staff and Resource Personnel Present:**

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

**Approval of Minutes**

**A-1 Regular Meeting-June 19, 2009**

Dick Warbrouck made a motion, seconded by Darrell Heisler, to approve the June 19, 2009 meeting minutes as submitted. The motion passed unanimously.

**Discussion**

**B-1 Director's Report**

Director Steve Hill welcomed the members to the meeting. He reported that DRS is in contact with the city of Lakewood and the police guild, and working with other state agencies to help family members of the slain police officers understand the benefits available to them, including the \$150,000 death benefit and the health care coverage for spouses and minor children.

Director Hill reported that Governor Gregoire will release her budget on December 9. The budget will include a proposal to move the Board of Volunteer Fire Fighters to DRS. The Legislature will need to approve this move.

Director Hill also provided a report on the work of the Select Committee on Pension Policy (SCPP) around the Actuary's report of the financial condition of the pension systems and his recommended changes to the economic assumptions. The SCPP did not take action on the economic assumptions, but created a sub-committee that is working on a risk study.

**Focus Areas**

### **C-1 2010 Initiatives**

Marcie Frost, Deputy Director, reported on the department's 2010 Strategic Change Initiatives. In response to the Governor's directive to find ways to lead and manage differently during these difficult budget times, DRS is focusing on additional online options for members' access to information and services. The initiatives include:

- Expanding and simplifying DRS' online presence, including an online retirement application and instructional videos;
- Mandatory electronic fund transfer (EFT) for new retirees;
- Auto enrolling new hires into the Deferred Compensation Program (DCP);
- Encouraging employers to use the electronic payment option;
- Evolving from customer service to 100% customer satisfaction - asking members "What would it take for you to be 100% satisfied with DRS?"
- Continuing the DRS and Health Care Authority collaboration to streamline processes for shared members

### **C-2 DRS Web Site**

Gayle McGee, DRS Project Manager, provided an update on the department's redesigned Web site. <http://www.drs.wa.gov/>.

### **C-3 Pension Legislation**

Dave Nelsen, Legal and Legislative Services Manager reported the 2010 Legislative Session begins on January 11<sup>th</sup>.

The SCPP is forwarding two proposals to the Legislature; authorizing the Higher Education Coordinating Board to offer Higher Education Retirement Plans to some of its employees and allowing educational employees in PERS and SERS Plans 2/3 to receive half-time service credit for periods prior to 1987 when they worked half-time but did not receive service credit under the laws at that time.

Under consideration by the SCPP are proposals to increase the \$150,000 death benefit to \$175,000, additional LEOFF Plan 1 survivor benefits and changing the default option for new retirement system members from Plan 3 to Plan 2.

The LEOFF 2 Board is considering proposals for receiving service credit for shared leave and purchase of an annuity for LEOFF Plan 2 members.

### **New Business**

### **D-1 Advisory Committee Charter Update**

Marcie Frost highlighted the proposed changes to the DRS Advisory Committee Charter.

Dick Warbrouck made a motion, seconded by Pat Dull, to approve the changes as submitted. The motion passed unanimously.

### **D-2 Meeting Dates for 2010**

Nancy Baldwin presented two options for the proposed 2010 meeting schedule.

Michael Heavey made a motion, seconded by Darrell Heisler, to approve option 2. The motion passed unanimously.

The 2010 meeting dates are:

- February 19, 2010
- May 21, 2010
- September 17, 2010
- December 10, 2010

### **D-3 Round Table**

Nancy Baldwin opened the meeting for any comments, questions or suggestion from the committee members.

### **D-4 Agenda Setting**

Suggestions for future agendas include:

- Continued reports from the Director
- Updates on litigation
- Continued updates on pension legislation
- Presentations from the State Investment Board and the State Actuary at least once a year

With no additional business, the meeting adjourned at 11:05 a.m.

Approved:

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Steven R. Hill, Director

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Nancy Baldwin, Chair