

**Law Enforcement Officers' and Fire Fighters' Plan 1 – Medical Study Workgroup
Meeting Minutes
June 12, 2008**

Department of Retirement System (DRS) Director Sandy Matheson called the meeting to order at 11:00 am. Workgroup members present were:

<u>WACOPS</u> Ken Crowder	<u>LEOFF 1 Coalition</u> Mark Curtis Dan Downs	<u>RFFOW</u> Randy Plain Dick Warbrouck	<u>WSCFF</u> Keven Rojecki
<u>RSPOA</u> Gerald Taylor	<u>FOP</u> Bill Hanson	<u>Attorney</u> Joe Fischnaller	<u>LEOFF 1 Retiree</u> Bill Kantor
<u>Assoc. of Cities</u> Jim Justin	<u>Assoc. of Counties</u> Julie Murray		

Introductions and Background

Director Matheson welcomed everyone to the meeting and invited the attendees to introduce themselves and the groups they were representing.

Review and Approval of Minutes

After introductions Director Matheson handed out copies of the draft minutes from the May 22, 2008 meeting. She asked that when individuals have comments on the minutes they provide them to all members through email. The email addresses for group members will be sent out to everyone.

There was a motion and second to approve the minutes. During the discussion of the motion, the following changes to the minutes were agreed upon:

- Update the format of the medical liability number
- Remove the sentence on page 5 “The workgroup agreed to retain the current size and composition of the group.”
- Consolidate questions #1 and #2
- Remove “retirees and” and add “or retired” behind “active” in questions #1
- Add “Breakdown data by active and retired member by employer” to question #1

The minutes were approved as amended. The group recommended that the minutes be sent to Ray Sanderson as an interested party who is unable to attend the meetings.

Study Questions

Director Matheson handed out the study questions developed during the May 22, 2008 meeting. Additionally, she distributed two documents that showed the number of LEOFF 1 retirees by their employers and LEOFF 1 retirees, who had prior act or pre-LEOFF service, and their employers.

A discussion of the study questions ensued with additional questions following from group members.

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Study Questions 1 and 2 - Identify employers who still have active or retired pre-LEOFF and LEOFF Plan 1 members.

- Breakdown the data by employer type (city, county, fire district, etc.)
 - Breakdown the data by police and fire
 - Identify data by specific employers, if needed
 - Break down data by active and retired member by employer
- There are 513 active members employed by 92 different employers. Are prior act and pre-LEOFF members included in the 513 active members? **Yes**
 - There are 4,200 retirees who have prior act or pre-LEOFF service. Are all 4,200 members retirees from LEOFF Plan 1? **Yes**
 - Do all of the 92 employers with active members also have retired LEOFF 1 members? **No, the City of College Place and the City of Grand Coulee do not have retired LEOFF 1 members.**
 - Do all of the 20 employers with active prior act or pre-LEOFF members also have retired LEOFF 1 members? **Yes**
 - What employers not covered by the prior act provided retirement benefits for pre-LEOFF 1 members? **This question is being researched.**
 - If the governing body for an employer transferred from a county to a port, did the medical liability also transfer? **This question is being researched.**

The group suggested that the tables be modified to include a column for employers with both police and fire personnel. This would help make the totals add across and down the table.

Study Question 4

Director Matheson discussed how to collect the data necessary to identify the taxing authority for cities, counties and fire districts. The city and county representatives agreed to collect the data and bring it back to the group for discussion along with responses to the following questions:

- What taxing authority exists that could lawfully be used to pay for LEOFF 1 medical costs?
- What is the unused capacity of taxing authority of each jurisdiction that can be lawfully used to pay for medical expenses?
- What authority is under local jurisdiction control and what requires a vote of citizens?

Study Question 5

The group discussed the Department's response provided to question #5. There was concern that the response was not broad enough to address the underlining question of contractual rights for LEOFF 1 benefits. There was a discussion about whether the benefits in RCW 41.26.030(22) were subject to contractual right provisions and whether creation of the disability boards and

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benefits provided by the boards under RCW 41.26.150 were contractual rights. The group agreed to the following revised question for Study Question 5:

- What provisions applicable to LEOFF Plan 1 in RCW 41.26 are not contractual rights? **This question has been referred to the Department's Assistant Attorney General.**

Study Question 7

The group discussed the Department's response to question #7. Director Matheson re-iterated that LEOFF 1 was a defined benefit plan in the Department's view and would be submitted to the Internal Revenue Service (IRS) as such during the Cycle C filings required under the Pension Protection Act. Only a change in the IRS determination could impact the plan's qualification.

Study Question 8

The group agreed to change the word "surplus" to "excess" in the question to be consistent with the Pension Protection Act of 2006, recognizing surplus and excess are interchangeable for purposes of this committee.

Study Question 9

The group discussed the Department's response to question #9. There was agreement to add language to the response stating that the current LEOFF 1 statutes in RCW 41.26 do not provide the ability to make the "Qualified Future Transfer" defined in the Pension Protection Act (PPA).

Fact Book

Director Matheson handed out a draft copy of the Fact Book she had prepared and asked for comments on the format and presentation of the material. The group liked the format and concurred that responses could be added to the Fact Book once they had been agreed upon by the group.

Other Documents

Director Matheson distributed a list of questions and answers that had been prepared by Bill Kantor. Bill described the document and went over each fact and question. The group agreed that all the questions that were relevant to the medical study were captured in the study questions.

The Director also handed out a list of the questions from the 2007 LEOFF 1 Medical Study document. There was a question about the purpose of the 2007 study and whether a chronological history needed to be developed to help group members understand the history of LEOFF 1 and the medical liability. Director Matheson stated that the 2007 study was focused on identifying all the outstanding questions that seemed to be unanswered and listing possible solutions to the medical liability issue. The focus for the current group is to first develop the facts and get agreement on those facts, then decide whether to move on to work on possible solutions. The group's consensus was that the questions from the 2007 study were either captured in the current questions or will be addressed in future questions.

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The group suggested the following item could be added to the study questions:

- What are the required liabilities for cities and counties as they relate to the accounting standards established under GASB 45?

Next Meeting and Miscellaneous

The next two meetings are scheduled for Tuesday July 8th at 11:00 a.m. in the Humanities Conference Room 1B 2410C and Wednesday July 30th at 11:00 a.m. in the President's Boardroom at North Seattle Community College. With no further business, the meeting adjourned at 1:30 p.m.