



STATE OF WASHINGTON

BOARD FOR VOLUNTEER FIREFIGHTERS & RESERVE OFFICERS

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October 19, 2007

The 209th regular meeting of the Board for Volunteer Firefighters and Reserve Officers was convened at 9:00 A.M. in Suite #112 in the James R. Larson Forum Building by Chair Ronald Ayres, with Board Member Ken Boad, Board Member Jay Hughes, Board Member Mark Watenpaugh, Board Member Martin Spani, Chief Stan Loertscher (Mason Co. FPD #13), Chief Jake Doty (East Pierce Fire and Rescue), Assistant Attorney General Kyle Crews, Executive Secretary Brigette Smith, Confidential Secretary Nicole Stauffer, Payroll and Pension Specialist Irene Keiffer, and Claims Analyst Julie Ikenberry present.

The Board reviewed the August 17, 2007 minutes. It was moved by Boad, seconded by Hughes and carried that the minutes be approved with a typographical correction to be made on page 5.

The agenda was reviewed. Secretary Smith asked to move the presentation by the State Actuary's Office to the top of the agenda to accommodate their schedule.

FIRST HEARING OF THE PUBLIC

Chair Ayres asked that everyone introduce themselves.

Matt Smith and Chris Jasperson, from the State Actuary's Office, entered the meeting after the introductions.

State Actuary Matt Smith and Actuarial Assistant Chris Jasperson distributed copies of the 2006 BVFF & RO Actuarial Valuation to all Board members and guests. Mr. Jasperson stated that the fund is doing well and is healthy. It is back over the 100% funding level, and that the State Investment Board earned a 13% return, which amounted to \$14 million earned in interest. He stated that the 7% interest assumption was still reasonable and in line with other retirement systems. Mr. Smith and Mr. Jasperson both asked the Board to consider some valuation changes.

1. The Static Mortality Rate – Currently the Board assumes that a 70-year-old today would live as long as a 70-year-old 20 years from today would live. It is more reasonable to use a non-static mortality table that would take into account that medical improvements will help people live longer in the future. While this will create an additional liability, it provides better future projections for the fund.
2. Smoothing – The current smoothing for our system is only 4 years. Extending out the smoothing period would smooth out some of the volatility for the system.
3. Amortization period – The Board currently uses a fixed date of 2017. Usually a fixed date is only used with major benefit enhancement changes. Unless the Board implements a major change, it is their recommendation that the Board change to a 15 year rolling amortization schedule. Most other systems use either a 15 or 30 year schedule.

The Actuaries also distributed a memo that answered benefit enhancement questions posed by the Board a few months ago. In the memo, the Actuary's Office determined the additional liability to the system and the cost to the constituents that changes like lowering the retirement age or increasing the monthly pension amount would cost. The Board expressed their satisfaction with the memo, since it provided valuable information about the potential changes the Board is looking at. Secretary Smith did ask the Actuaries if they knew how much the early retirement penalty was for the other retirement



systems, since that is a question she is often asked. They stated that the 8% penalty that the BVFF & RO has is in line with other retirement systems. However, many of the other systems will reduce the penalty if a person retires early and has more than 30 years of service instead of just 25 years. The Board thanked the Actuary's Office for all of their hard work and their dedication in coming to the Board to present the valuation and answer questions. Mr. Smith expressed his pleasure in working with the Board and thanked them for all of the cooperation.

State Actuary Matt Smith and Actuarial Assistant Chris Jaspersen left the meeting at 9:36 am.

#### OLD BUSINESS

The Board reviewed the draft of the new "Physical Activities Statement" as prepared by Assistant Attorney General Kyle Crews and Executive Secretary Brigitte Smith. After some discussion, it was moved by Watenpaugh, seconded by Spani, and carried, that the State Board adopt the policy as written. Secretary Smith was directed to make sure that a copy of the new policy is distributed to all departments.

Secretary Smith and Member Board updated the Board on the progress of the Fire Service Leadership Forum Focus Group. The Focus Group presented its recommendation to the group at large last month. Each of the member organizations was asked to go back to their groups and get the "thumbs up or thumbs down" and bring their decisions back to the Forum Group at its November meeting. If the Forum Group adopts the recommendation, Secretary Smith expects that the Board will see a written recommendation at their December Board Meeting. In addition, she stated that no other comments regarding the standards had been received since the June meeting.

Secretary Smith stated that she hadn't received any additional comments regarding the Buy-Back legislation.

Secretary Smith informed the Board that no additional comments regarding earlier retirements or other benefit enhancements had been received.

Secretary Smith asked to take a five minute recess until 9:55 to give the staff a chance to set up the computer and projector for the presentation of the survey.

Executive Secretary Smith and Confidential Secretary Stauffer gave a presentation to the Board regarding the Benefit Enhancement Survey. The Board was able to see the actual survey and take it from several standpoints. After reviewing everything and lots of discussion, the Board asked that the staff differentiate between Retired Members Receiving a Pension and Retired Members Not Receiving a Pension. They also suggested adding sentences to the introduction that stated it would take no more than ten minutes to take the survey and that each person should only take the survey once. The survey will remain open until the end of November. Secretary Smith stated that the staff would get the link set up on the website immediately and that she would begin to work with the various associations to get the word out regarding the survey.

#### NEW BUSINESS

Secretary Smith informed the Board that all of the comments she's heard regarding the increase in the New Volunteer Physical Reimbursement Rate has been positive. Many departments have called wanting to start requiring physicals, and several others have stated that they will require better physicals.

Secretary Smith presented the results of the annual survey to the Board. The results were very positive again with 96% of the responding constituents stating that they rate the service that they receive from the office as above average to excellent.

After reviewing the Actuarial Survey, it was moved by Hughes, seconded by Boad, and carried, that the 2008 fees for Reserve Law Enforcement Officers and Emergency Service Workers be set as follows:

**Relief                    \$100**  
**Pension                 \$115    (member portion is \$30 and municipality portion is \$85)**

The Board discussed the 2008 meeting dates. Everyone felt that it has been very valuable to have the meetings every other month. It was decided to continue the meetings every other month on the third Friday (with December being the exception). Therefore, the 2008 meeting dates will be February 15, April 18, June 20, August 15, October 17, and December 12.

Secretary Smith asked the Board to allow her to attend classes to become a Nationally Certified Public Manager. The program is offered through the South Puget Sound Community College. Because the program would provide a direct benefit to the agency, state rules allow the agency to pay for the cost of tuition. After reviewing the RCW's, WAC's, and class information, it was moved by Boad, seconded by Hughes, and carried, that Secretary Smith be allowed to attend classes to seek her national certification. Tuition will be paid up to \$4995 and any student fees or books must be paid for by Secretary Smith. In addition, time attending classes during the work day shall be counted as time worked, but classes outside of the work day shall not.

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

The Board reviewed and approved (Boad moved, Spani seconded) the administrative expenditure vouchers numbered (1562-1609) 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 (Boad abstained from the vote on James LeBlanc's papers and Hughes abstained from the vote on Jack Hensley's papers due to potential conflicts):

		<u>Effective Date</u>	<u>Amount</u>
Anderson, Greg	Yakima #12	8/21/07	70.00
Aschenrenner, Robert	Thurston #4	10/14/07	108.30 @ age 62
Bauer, Michael	Snohomish #4	8/21/07	3,520.62 Lump
Beatty, Richard E.	King #40	8/29/07	3,520.62 Lump
Blix, Barbara	Cathlamet	8/30/07	163.80 @ age 63
Brown, Lee	Whatcom #4	9/28/07	300.00
Brown, Teddi L.	Whitman #3	6/30/06 SURV	78.39
Carmody, Patrick	Cowlitz #2	10/7/07	132.60 @ age 61
Caskey, Gary	King #10	6/19/07	4,235.75 Lump
Chapman, Walter R.	Clark #11	7/22/07	280.00
Chenoweth, Diane	Grays Harbor #11	8/20/07 SURV	4,135.19 Lump
Colgan, Patrick	Sedro-Woolley	6/27/07	252.00 @ age 63
Collins, Wallace E.	Spokane #9	9/07/07	187.50
Cox, Mark S.	White Salmon	4/17/07 J/S	163.80
Dahlstrom, Dennis	Lewis #6	8/23/07	180.00 @ age 60
Dusablon, Theodore	Snohomish #8	4/16/07	3,520.62 Lump
Ellis, Lester	Clallam #3	10/1/07	300.00
Hawkins III, Frank R.	McCleary	10/21/07	300.00
Heany, Fred	Klickitat #4	7/14/07	2,420.43 Lump
Hensley, Jack	Spokane #4	11/1/07 J/S	253.20
Hockett, Leon	Skagit #10	8/31/07 J/S	245.40
Holschen, Richard A.	Spokane #8	8/28/07	60.00
House, Michael C.	Raymond	8/25/07	3,520.62 Lump
Johnson, David	Island #2	10/4/07	5,076.63 Lump

Jones, Nancy J.	Snohomish #21	8/31/07 SURV	100.07
Kales, Leslie	Skagit #10	4/30/07	3,300.58 Lump
Keppner, Charles	King #10	6/26/07	73.50
Krebs, Kenneth	Grant #4	6/12/07	3,960.70 Lump
Larson, James R.	Clark #6	6/10/07 J/S	84.35 @ age 64
LeBlanc, James E.	Mason #2	10/21/07 J/S	192.43 @ age 62
Lively, Thomas E.	Skagit #14	6/28/07	53.20 @ age 62
Lutz, Robert	Skagit #8	11/8/06	5,584.30 Lump
Mast, James	Cathlamet	8/05/07	80.50
Maylor, Merle R.	Island #2	6/06/06	112.50 @ age 60
McArthur, William J.	Redmond	11/18/07	80.50
McVey, Charles B.	Benton #1	8/06/07	3,960.70 Lump
Murdock, Gary	Skagit #16	4/16/07	3,960.70 Lump
Olson, Jr., Paul A.	Asotin #1	10/17/07 J/S	196.54 @ age 62
Olson, Raymond	Spokane #2	12/13/06	55.20 @ age 64
Pence, James W.	Klickitat #7	8/22/07	77.00
Pietz, Gary Lee	Lincoln #4	7/07/07	228.00 @ age 62
Piukkula, David	Pacific #5	4/01/07 J/S	257.10
Ray, Paul	Lewis #3	11/27/07	125.40 @ age 62
Schulte, Charles	Stevens #1	10/18/07 J/S	253.20
Schwinge, James	Skamania #3	8/18/07 J/S	266.70
Schwinge, Rose M.	Skamania #3	1/01/07 J/S	59.99
Skinner, Robert E.	Kitsap #18	8/13/07 J/S	100.27 @ age 60
Stotz, Gregg A.	Washougal	11/6/06	2,465.79 Lump
Tapley, Timothy	Spokane #3	10/2/07	3,513.42 Lump
Thompson, John M.	Spokane #8	7/25/07	56.00
Troxel, Herb	Chelan #1	9/29/07 J/S	253.20
VanGeystel, Dorothy	Ferry/Okanogan #14	9/12/07	3,082.23 Lump
Walker, LaVerne	Asotin #1	8/08/07 J/S	258.60

SECOND HEARING OF THE PUBLIC

No one wished to speak.

There was a motion by Boad, seconded by Hughes, and carried that the meeting be adjourned at 11:02 a.m.



Brigitte K. Smith, Executive Secretary