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STATE OF WASHINGTON
BOARD FOR VOLUNTEER FIREFIGHTERS & RESERVE OFFICERS

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The 215th 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, Mike Brown (Executive Director of the Washington Fire Chiefs), TJ Nedrow (Washington State Firefighter's Association President), Chief Jake Doty (East Pierce Fire and Rescue), Tammie Warnke (Washington State Firefighter's Association), Associate Pension Actuary Chris Jasperson, Actuarial Assistant Michael Harbour, Assistant Attorney General Kyle Crews, Executive Secretary Brigette Smith, Confidential Secretary Tracy Thornburg, Pension and Payroll Specialist Irene Keiffer, and Claims Analyst Julie Foreman present.

The Board reviewed the August 15, 2008, regular meeting minutes. It was moved by Boad, seconded by Hughes and carried that the minutes be approved with a correction to Mary Alice Jones' department number.

The agenda was reviewed.

FIRST HEARING OF THE PUBLIC

Both Mike Brown and TJ Nedrow signed up to address the Board, but both asked to hold their comments until the discussion regarding the participation requirements.

OLD BUSINESS

Associate Pension Actuary Chris Jasperson and Assistant Actuary Michael Harbour distributed copies of the 2007 BVFF & RO Actuarial Valuation to all Board Members. They pointed out that this year's valuation was effected by many things. First, the Board changed some assumptions last year to more closely follow national actuarial standards. Second, an Experience Study was conducted by the Actuary's Office. An Experience Study is a study of the plan and individualized for the specific pension system. Some of the things that they learned from the study that were surprising were how many members continued to volunteer after they had already volunteered for 25 years, that approximately 10% of the fire service was female (which is close to the ratio of female to male in LEOFF), and that the mortality rate seemed to be close to that of PERS2. Mr. Jasperson stated that they normally try to conduct a new experience study every 6 years, but that they would probably be revisiting the BVFF's annually for the next couple of years because of the improvements we have made and are making in data tracking.

Mr. Jasperson also stated that medical inflation has been in the double digit for several years, which concerns the Actuary's Office. Because the relief liabilities are not currently valued, the fund could have future troubles with the current inflation trends. They said that an annual relief valuation would really give a better picture of the health of the fund, since the current valuation only looks at the pension. Before leaving the meeting at 9:43 am, Mr. Jasperson and Mr. Harbour stated that the benefit enhancement cost estimates should be ready in time for the December meeting. At that meeting, they would have a better idea of what the stock market was doing and whether or not it's a good time to seek enhancements.

Secretary Smith read comments regarding the proposed participation requirements WAC that had been received within the last couple of days. She stated that one of the concerns she commonly hears about is whether credit is granted to members of the military deployed overseas. She stated that she has explained the Board's current policy, that follows federal law, and grants pension credit to reservists called to active duty. There is some paperwork that has to be completed both before leaving, and upon their return. Staff has been pretty lenient regarding the paperwork because the processes is relatively new to the departments. There are also some specific timelines for rejoining the department that members have to follow. The Board requested that she address the issue in the next newsletter. She

reminded the Board that both hearings on the issue will be in November and stated that she would add all comments received to her Comments Summary sheet.

The Board reviewed the Position Paper sent to the Board by the Washington Fire Chiefs. They also reviewed the letter submitted by the Washington State Firefighter's Association. The Board stated that Secretary Smith forwarded both letters on to the Board immediately upon their receipt, so they were well aware of their existence. Board Member Spani stated that he could understand the concerns because of Fire Corps members.

Mike Brown and TJ Nedrow both asked to address the Board regarding the letters. Mr. Brown apologized for the timing of his letter and his email response to Secretary Smith's emailed CR-102 notification. He was sorry for any inconvenience that it may have caused. He didn't realize that his letter was submitted after the last Board Meeting date and his association was caught off guard. He stated that the Washington Fire Chiefs (WFC) would like to work with the Board to develop a definition that would be more appropriate to today's firefighter. His association is not sure that the State Supreme Court's definition of a volunteer firefighter was in the best interest of fire departments. He thought we could work together to develop a plan to open participation in the act to any volunteer in a meaningful position (for example – a chaplain). They have the ability to do that on the career side. His association requested that the Board delay any public hearings until a partnership is formed to look into the issue. This would allow the Board to function on a case by case basis as they have been, but also allow the Board to change the definition and find a funding component. He stated that the association hated to oppose the proposed WAC, but that they are concerned about the definition of firefighter. They were fine with the activity requirements, but would like to see the definition expanded.

Mr. Nedrow stated that the WAC process would allow the hearings to be delayed. He felt it would be better if the Board worked in concert with the associations than to have the associations go on the record as opposing the proposed WAC. He stated that the Washington State Fire Fighter's Association (WSFFA) had no concerns with the activity requirements, either. However, today's volunteer is different. People are more specific in how they volunteer, and the state needs to somehow recognize those volunteers. For example, he stated that he had his 25 years of service in, but that he now acts more in a volunteer fire investigator capacity because of life things. He wants to see the groups move forward in a more collaborative way. He wanted to emphasize that the WSFFA was in harmony with Mr. Brown and the WFC.

Tamara Warnke, WSFFA, stated that it was not uncommon, in rule writing, to create new definitions. The Board wouldn't be re-creating the wheel if they changed the State Supreme Court's definition of "firefighter" through the WAC process – it's very common.

Chair Ayres stated that it was always the Board's intent to have all of these issues resolved before beginning the WAC process, which is why we worked with the Fire Service Leadership Forum.

Mr. Nedrow said that the WSFFA would oppose the proposed WAC if the Board couldn't come to an agreement with the association regarding the WAC. He stated that he told the Board many times to address the definition.

Chair Ayres asked Assistant Attorney General Kyle Crews if the Board could change the definition through the WAC process without going through the legislature.

Mr. Crews said that the Board had to start with the State Supreme Court's interpretation and suggested that the Board go through the WAC process that was already started. The Board doesn't have to adopt the proposed WAC at the end of the process. That's what the hearings are for. The Board can make changes based on what information is discussed at the hearings. If the Board decides to make any major changes, more hearings would need to be held. Minor changes would not require additional hearings.

Mr. Brown was concerned that holding the hearings at all would appear adversarial. He said that the Chiefs worked with the Board through the Fire Service Leadership Forum on the activity requirements and had put off discussing the firefighter definition, which is why they were taken by surprise. They would like to see a different definition.

AAG Crews asked if the WFC had an alternate definition prepared in writing.

Mr. Brown felt that the position paper given to the Board stated their idea of where the definition should go, and that they realized the Board could not expand the scope of coverage without increased funding. He said that he knew of districts that knew they had volunteers that would not fit under this definition, but had reported them anyway. His

association felt that, if the Board set up a PERS type of pension for administrative personnel, membership in the BVFF & RO would swell. He said that his member departments had indicated that they would be willing to pay as much as \$300 a person more a year just to have the coverage.

Ms. Warnke said that she felt the groups, working together, could come up with a definition that we could all agree on. It wouldn't be as complicated as it seems, and that it seemed like the logical thing to do.

Board Member Mark Watenpaugh stated that he was concerned about the timeline. The Board has already been working on this issue for several years and that it's time for a resolution. Meeting with the associations to work on a different definition could take at least a couple more years. In the meantime, the Board and the firefighters would still have no tool for auditing claims of fraud and abuse.

It was Mr. Brown's belief that everyone could work together and come back to the Board in a year with Actuarial numbers and a new definition. At that point, a WAC with the new definition could be substantially supported. If the committee working on it was small, they may even be able to come back faster, but he felt that writing a new definition shouldn't be rushed.

Ms. Warnke felt that slowing down the process a little could give the Actuaries more time to get the numbers right. Chair Ayres stated that he thought it would realistically take a lot more time than a year to get firm numbers and have the definition written. Mr. Brown agreed that it could take more time, but that the time would be worth the investment.

Mr. Nedrow thought it could take some time to get the definition right. He agreed with Member Spani about the Fire Corps members, but didn't necessarily agree that people taking blood pressures should be covered and said that he felt that covering receptionists would not be appropriate.

Chair Ayres asked what the harm would be with proceeding with the proposed WAC. The Board would then have something in place for the next couple of years while it worked with the various associations to develop a new definition.

Mr. Brown felt that might be acceptable if a partnership was in place and the Board made it known that this was a temporary WAC to get the Board through until a better version could be developed.

AAG Crews suggested that the Board adopt a resolution to work with various organizations to study the expansion of coverage. The Board could consider legislative action.

Mr. Brown stated that his association would prefer to work with the Board vs. the Legislature. His group could support the WAC if a resolution was passed first stating the Board's intent to work with the WFC and other associations to change the definition of firefighter. He couldn't guarantee that individual members might not testify against the WAC, but he could say that his association would not testify against it. To try to aid the Board, he'd be willing to send out notifications to all of the departments regarding the agreement that was reached, which may help gain individual member support. He also offered his office conference calling system for the Board's use so they could have a special meeting prior to the hearings.

Chair Ayres thought it might be a good compromise. The Board could adopt the resolution to look at a broader definition and funding component, and attach the position paper as an exhibit.

Mr. Nedrow said that he had a hard time accepting the resolution because one resolution could lead to another. Just because the Board makes a resolution one day, doesn't mean they can't rescind it later on. Also, this was not the only thing that had to be addressed in the Audit Report. Chair Ayres asked Mr. Nedrow to clarify which audit report he was talking about. Mr. Nedrow stated that he was talking about the audit report that brought this to fruition. Chair Ayres stated that this was brought about as the result of two different private audits that the Board contracted the Auditors Office to conduct of two different fire departments. Mr. Nedrow said that he felt he needed to fight for the firefighters and that he disagreed with Mike Brown's position regarding the resolution. The resolution was unacceptable and he would argue against it in the WAC hearing. His group accepted the activity requirement, but would oppose the definition of firefighter.

Chief Jake Doty said that he thought the Board could go forward with the current proposed WAC and use it for the next couple of years with the hope that it could be worked on and improved.

Secretary Smith suggested that it may be easier and cleaner to leave the definition of firefighter as proposed in the WAC alone and work collectively to add a new definition in RCW that would cover auxiliary and support personnel. In doing it that way, it would be a lot easier to set up a separate fee structure similar to what was done with the EMSD's and the Reserve Officers.

Mr. Nedrow said that a timeline should be given to it, and Mr. Brown agreed that it would be a good idea.

It was moved by Spani, seconded by Hughes, and carried that the Board have a special session to adopt a resolution stating that the Board would work with various associations and organizations to define support personnel and look at funding sources for their coverage. It would be anticipated that work would be completed by the end of 2010. A special meeting will be called on Tuesday, November 4th at 10:00 am in the Washington Fire Chief's Office to adopt a resolution.

Secretary Smith was directed to work with AAG Crews to develop a resolution and coordinate with Mike Brown to use his conference system for the special meeting.

Mike Brown, TJ Nedrow, and Tamara Warnke left the meeting at 11:05 am.

Secretary Smith updated the Board on the status of the new database. The contractor has been working with the staff to modify mock screens to make sure all of the business processes have been addressed. So far, everything looks great and the staff is excited. However, as mentioned at the last meeting, Secretary Smith has been working with the contractor to look at other ways that the system could be improved to allow even more self service to the departments and individual members. Any data that they input could auto populate the data fields after review by BVFF Staff. Each time the department re-entered the system, all of the previous information would be available and they wouldn't need to re-enter it. They would be able to run their own reports, which would save time and money for the departments and the Board. Secretary Smith presented the Board with outlines of the original system's functionality and the enhanced system's functionality. In addition, she presented them with the cost comparisons of the two systems. The money that was originally allocated to the basic system was sufficient to build the database to our original specifications. If the Board were able to come up with an additional \$107,000 immediately, we could have the enhanced system. However, if the Board could not find the additional funding and had to wait until next year for a decision package to hopefully pass the legislature, it would cost an additional \$209,000. Secretary Smith stated that she really believed that the enhanced system was better for the staff and constituents and had already started working on the funding. She had found about \$40,000 worth of cuts that she thinks she can make to the current budget, and asked the Department of Information Services (DIS) for a Small Agency Grant to cover the remaining cost of the project. She received word just before the meeting that the DIS committee felt that her proposal was textbook and was the exact reason that the grant had been created. They awarded the Board a \$67,000 (maximum) grant to cover the remaining cost of the project. The Board will have to fund as much of the project as possible, and DIS will fund the remaining balance, not to exceed the \$67,000 award.

NEW BUSINESS

The Board reviewed a request to cover firefighters while acting as members of the fire department association, such as fundraising for a new fire truck. After some discussion, it was moved by Watenpaugh, seconded by Boad, and carried that the BVFF & RO cannot cover a firefighter while they are acting as a member of their association since the act only covered members of the municipality while they are working under its authority and direction.

Secretary Smith informed the Board that the staff had completed the annual satisfaction survey. A letter was sent to 200 police departments, fire departments, EMSD's, firefighters, police officers, EMT's, and retirees inviting them to take the on-line survey regarding our service. The results showed that 100% of the respondents felt that the service they received from staff was above average to excellent. Individual comments said things like:

- "In the 34 years I have been Clerk-Treasurer... (the) BVFF has been one of the best agencies I have ever dealt with".
- "Thank you for the wonderful job you guys do!"
- "I'd like to comment on how helpful you ALL are when I call with questions, concerns, or a special request for record information. I truly appreciate your upbeat attitudes!"
- "I find the BVFF to be the BEST state agency in Washington – responsive, helpful, streamlined".

Despite the positive feedback, Secretary Smith was disappointed in the return rate. Not as many people have been participating in the on-line survey as participated with the paper version. As a result, Ms. Smith stated that she felt the staff would be returning to the paper versions next year.

The Board reviewed a contract extension entered into by Secretary Smith with Technology Solutions Group to provide the additional hours of IT Project Management made necessary by the project expansion.

The Board reviewed the results of the Actuarial Survey and determined that the 2009 fees for EMSD's and Reserve Officers should be \$100 for the pension fee (\$30 member fee + \$70 municipality fee) and \$135 for the disability fee.

The Board discussed the meeting dates for 2009. They felt more informed with 6 meetings a year, but they also felt that some of the meetings were really short and may not have been necessary when weighed against the cost of per diem and mileage. In addition, they took the Governor's request to trim travel costs. It was decided that they would meet five times next year, instead of six, with an extended break over the summer. The 2009 meeting dates will be February 20, April 17, June 19, October 16, and December 11.

The Board reviewed Secretary Smith's performance over the last year. Ms. Smith provided all of the members with documentation of some of her accomplishments over the last year and her goals for the future. Chair Ayres said that he was happy with Secretary Smith's performance and said that he thought it was a difficult job because some constituents have a difficult time differentiating between Secretary Smith's performance and the Board's decisions. Board Member Spani said that the survey said it all. Secretary Smith asked that the Board delay any discussions regarding a pay raise until after the new database is completed. She stated that, while most state employees received a wage increase in September, she would rather put her potential increase toward the \$40,000 balance that the Board needs to come up with to pay for the enhanced database. While the extra wages would only be a small piece of the money needed, every little bit would help. The Board agreed with Secretary Smith that it might be a good idea to delay any discussions regarding a wage increase, but that they would like to revisit the idea at the April and see if there was any money available in the budget for at least the COLA increase that was granted to most of the other state workers.

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

The Board reviewed and approved (Boad moved, Spani seconded) the administrative expenditure vouchers numbered (1794-1834) 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:

		Effective Date	Amount
Berg, Gary L.	Whatcom #7	9/10/08	228.00 @ age 62
Bishop, James L.	Jefferson #1	3/19/08	4,180.74 Lump
Brackett, Bruce W.	San Juan #2	8/28/08 J/S	250.80
Broughton, Ronald R.	Snohomish #5	9/21/08	300.00
Buroker, Dale E.	Dayton	8/05/08	228.00 @ age 62
Camp, Jeannette	Lewis #1	5/14/08 J/S	126.75 @ age 61
Davidson, John R.	Thurston #14	8/20/08	77.00
Edman, Cheryl M.	Thurston #4	6/03/08	182.40 @ age 62
Faddis, David	Skagit #19	11/4/02	2,093.56 Lump
Gariano, Joe	Omak	9/08/08 J/S	212.69 @ age 63
Griffith, Ted	Grant #11	4/18/08 J/S	198.26
Hebert, Mike	Pacific #1	7/15/07	2,755.89 Lump
Herdrick, Melvin A.	Odessa	3/27/07	187.50
Kirkpatrick, Ben	Pend Oreille #3	8/28/08	131.10 @ age 62
Kolb, Robert	LaConner	6/08/06	142.50 @ age 62
Kruger, Bruce W.	Grays Harbor #8	8/15/08	5,373.80 Lump

McColley, Ernest A.	Benton #2	8/20/08	5,838.13 Lump
McCormick, Pete	King #45	8/30/08	130.00
Mefford, Margie	Okanogan #7	1/01/08	210.00
Miller, Carol	Grant #11	8/21/08 J/S	263.70
Miller, Robert D.	Island #3	11/14/07	220.40 @ age 62
Moe, Gene	Skagit #14	7/07/08	252.00 @ age 63
Nation, Patsy	Grays Harbor #7	8/20/08	300.00
Ness, John	Yakima #12	7/12/08	2,661.44 Lump
Nyce, Daniel J.	Columbia #3	8/19/08 J/S	237.91 @ age 64
Oldham, Bruce	Clark #12	7/20/08	3,016.30 Lump
Prince, Wayne	Skagit #10	3/11/08	180.00 @ age 60
Rantschler, John	Concrete	7/28/08 J/S	210.37 @ age 63
Roberts, Robert	Omak	10/8/08 J/S	182.37 @ age 62
Roduner, Ron	Grant #3	6/28/08	228.00 @ age 62
Sieker, Tracie	Grand Coulee	7/22/06 SURV	874.30 Lump
Somerville, Dennis A.	Snohomish #21	10/28/08	300.00
Stevens, Gene	King #27	8/30/08 J/S	252.00
Stone, Phyllis	San Juan #2	8/06/08	3,016.30 Lump
Volk, Gary	Mason #11	10/8/08	2,661.44 Lump
Wortman, Bruce A.	Douglas #4	8/07/07	4,180.74 Lump

SECOND HEARING OF THE PUBLIC

None of the guests wished to speak.

There was a motion by Hughes, seconded by Boad, and carried that the meeting be adjourned at 11:50 a.m.

Brigette K. Smith, Executive Secretary