

President's Message for August 2019 by Richard C. Warbrouck

If by chance you missed the July Newsletter and were looking for it, look no further as there is no Newsletter in July. Usually in July members are travelling on vacation or busy with summer projects and our activities are at a minimum. This also allows us to save the cost of printing and mailing a Newsletter. It may appear in this Newsletter that we have an unusual number of contributions to the Legislative Fund and an unusual number of death notices. This is because we don't have a July Newsletter and the list represents a two month period.

To refresh your memory I want to remind you that we had HB 2051 and a companion bill SB 5920 introduced in the 2019 legislative session. These two bills would amend the various retirement statutes to make the language stipulating who is eligible for election to the pension and LEOFF I disability boards more uniform. The second issue was to address the problem we are having in staffing these board positions by increasing the eligibility to be elected to the boards. The two bills would amend the statutes by stipulating: "That any employed or retired firefighter or law enforcement officer living in the jurisdiction of the board be eligible for election to the board." The rationale was to solve the problem of staffing these boards. If a firefighter or law enforcement officer living in a city or county as a resident can hold any other office including Mayor and city council, why can't they serve on a pension or disability board. The board members would be elected by the LEOFF I members under the jurisdiction of the board. Remember, the RFFOW had legislation drafted and eventually passed:

- To only allow LEOFF I members vote in board elections. Previously LEOFF II members could vote in the board elections.
- To allow LEOFF II members to serve these boards if elected by the LEOFF I members under the jurisdiction of the board. This was a temporary fix to fill these board positions.

HB 2051 and SB 5920 the companion bill, did not pass. SB 5920 was dropped and the House bill 2051 moved right along as well as could be expected. The bill was passed by the House committees and was passed in the House; yeas 92; nays 5; absent, 0; excused. The bill then went to the Senate and began the process all over. The bill was assigned to the Senate Ways and Means Committee. Due to time constraints and the session coming to a close we were not able to get the bill passed out of the Senate as the legislature came to a close.

This is really a Band-Aid approach to fix the problem. This will help on the west side but be of little help on the east where there are not many active firefighters living in areas served by the board. This is like kicking the can down the road. It is an issue we will have to deal with in the very near future. We may be faced with a county board or some other geographic board if we don't offer something ourselves. Unfortunately, we are the only group trying to resolve this issue. The Coalition didn't even know the problem existed. All is not lost. HB 2015 is not dead. The bill will start in the House Rules

Committee next session and should be passed out of the House Rules Committee early in the session and sent to the Senate for a final vote.

SB 5894, another bill that we were working on was passed. In fact, I was able to testify on this for the Mayor of Chehalis, WA. He was not able to attend the hearing and had asked me to speak on his behalf. It didn't hurt that the City of Chehalis was in Senator Braun's district who was the prime sponsor of the bill. SB 5894 will allow the cities that are collecting tax millage and a portion of the sales tax from the sale of fire insurance under RCW 41.16 the Prior Act Pension Law until the last Prior Act member dies. They will now be able to continue to collect that pension levy until the last LEOFF I member dies as the levy money is used to pay for LEOFF I medical expenses. The 2020 Legislative Session is scheduled as a 60 day session so we will have to move quickly to get anything passed.

The Washington State Council of Firefighters (WSCFF) under the direction of President Dennis Lawson were successful in passing four bills, HB 1913, HB 2144, HB 1575, and SB 5010.

- HB 1913 expands presumptive cancer protections to include mesothelioma, stomach cancer, non-melanoma skin cancer, cervical cancer and breast cancer in women. In addition, public service fire investigators, EMT's and law enforcement officers gained coverage.
- HB 2144 transfers \$300 million from LEOFF Plan 2 reserves to the Benefit Improvement Account and repeals future transfers. The WSCFF advocated for this transfer after exhausting all efforts to have the legislature make \$24 million biennial general fund transfers that were due. The impact of this one time transfer is to lower the funded status of LEOFF Plan 2 from 109% to 106%.

The Washington State Council passed 24 resolutions at the council's 80th annual convention held in Renton on June 18-20. One resolution passed called for presumptive coverage for heart disease. Another increased the per capita tax local union's pay for each of their members from \$24.14 to \$24.48. A resolution was also adopted to create a WSCFF retiree association.

We have scheduled an RFFOW Board retreat for September 9 & 10 at a hotel in Lynnwood, WA. We will meet all day on the 9th, stay overnight and finish mid-day on the 10th after having time to analyze what was discussed the previous day.

First, we have to discuss the attrition rate of LEOFF I members and the reduction in our RFFOW membership. We will discuss the future of the RFFOW and how LEOFF I retirees want to be represented in the future to protect their pension, their spouse's pension and their medical benefits. There are now about 6,700 LEOFF I members. We now have about 800 RFFOW members doing the work and paying the price to represent all 6,700 members. I hope to finalize or reach a decision on the survey and mass mailing to all the 6,700 LEOFF I members in the State.

We were able to fight off another partial merger (only a merger of the LEOFF I fund) by Senator Van De Wege this last session. I feel this was an individual attempt on his part and that he may not have had the support of the leadership in both the House and Senate.

The last Actuary report based on the 2017 valuation of the LEOFF I Pension System indicated about a 131% surplus. We are awaiting the 2018 valuation and hope to have it by our September retreat to analyze. We suspect the surplus will increase. At 131% the value of the surplus is valued at about 1 billion 600 million dollars. Even though there is no money in a drawer, bank account or investment, any increase will make it ripe for the picking. It makes a ledger look very profitable. Some feel, and I have said, now may be the time or in the very near future to be the moving force for a distribution or dividend. This will be discussed in great detail during our retreat as we have to be very careful how, when and to whom we approach. There is a lot involved and it could come back to bite. During the LEOFF I Education Conference in Chelan a few of us got together to discuss this and the previous attempts by the legislature to capture or utilize the surplus.

Many feel that the attempts to use the surplus by the legislature will continue. Some think that we may have convinced the legislature that it is not theirs for the taking. I guess it depends on how much faith you have in the IRS Exclusive Benefit Rule "that any surplus belongs to the beneficiaries of the system." There was talk of holding stakeholder meetings around the State and various groups would have to decide if a solution could be reached. Some felt that time is of the essence in scheduling these meetings. There was no talk as to where we would hold these meetings, what type of a facility we would need, who would chair these meetings, what would be the format, would those present at each meeting vote and who would pay the cost.

I didn't feel that I was sent to this disability board educational conference to make these types of decisions. This process has to be well thought out and any possible repercussions have to be mentioned. I felt that I was sent to the conference to discuss disability issues and to listen to the speakers. If these types of issues were to be discussed we would have a different delegation attend. I was sent by the members of the RFFOW and I represent first and foremost the members of the RFFOW. Before I would take any action or speak on behalf of the RFFOW I would have to get direction from the Board of Directors or from our membership. Needless to say, this is but another subject that will be discussed at the September retreat. There will be more to explain in depth next month.

Vice President Jim Fossos is convalescing at home. He has a caregiver who is assisting him and his family with his care. Jim is receiving therapy and is showing some improvement. He is having trouble with balance and vision. He has a good attitude and his recovery will be a long process. He enjoys receiving mail (US mail). A final prognosis has not been reported. We can only hope and pray for the best.