



Retired Firefighters of Washington

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Office of
The State Actuary

Richard C. Warbrouck
President

June 8, 2012

The Honorable Senator Steve Conway
Chair, Select Committee on Pension Policy
8121 S. Park Ave
Tacoma, WA 98408

The Honorable Representative Barbara Bailey
Vice Chair, Select Committee on Pension Policy
PO Box 374
Oak Harbor, WA 98277

Mr. Matt Smith, State Actuary
Office of the State Actuary
PO Box 40914
Olympia, WA 98504-0914

Dear Senator Conway, Representative Bailey and Mr. Smith,

For the past two legislative sessions the Washington State Council of Firefighters (WSCFF) and the Washington Council of Police & Sheriffs (WACOPS) have been promoting a merger of the LEOFF I and LEOFF II Retirement Systems. We angrily refer to this as a raid on the LEOFF I Retirement System. As the 2011 legislative session was drawing to a close House Bill 2097 was introduced. The proponents of the bill told legislators that the LEOFF I groups were in support of the bill, which couldn't be further from the truth as we were never consulted or forewarned that the bill would be introduced. We were somewhat surprised when we learned that the Chair of the LEOFF II Board wearing another hat as the head lobbyist for the WSCFF, and the Executive Director of the LEOFF II Board Steve Nelsen were promoting this legislation and in fact Steve Nelsen later admitted to drafting the legislation. We found this to be somewhat unprecedented for two reasons. The LEOFF II Board had never scheduled a public hearing on this subject and the board never passed a motion in support of any plan merger legislation. This appeared very inappropriate because if the legislation had passed it would have had a tremendous impact on the LEOFF II Board. Secondly, because Mr. Nelsen, as the Executive Assistant, had in the past written letters and discussed less important issues with the Select Committee on Pension Policy, chose not to contact the Select Committee on this subject. If this

bill had been signed into law the LEOFF I Retirement System would have been removed from the jurisdiction of the Select Committee and put under the jurisdiction of the LEOFF II Board.

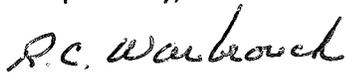
Though HB 2097 never received a hearing, the legislature appropriated seventy-five thousand dollars and directed the State Actuary to conduct a study during the interim and forward the study to the legislature by December 15, 2011. We participated in the study and didn't feel that any information was identified to indicate that a merger was in the best interest of the members, the employers, the citizens or the State of Washington.

Early in the 2012 legislative session before the Actuary's December 15, 2011 report was read, two bills were introduced to merge the two retirement systems. HB 2350 and SB 6563 a companion bill were introduced as a surprise to us and again before the LEOFF II Board had taken formal action on a merger and without a public hearing or consultation with the Select Committee on Pension Policy.

We feel that this subject and the above legislative process should be reviewed by the Select Committee on Pension Policy. We therefore request that this subject be placed on the agenda of a Select Committee meeting during the interim. We are seeking the assurance that if one of the three referred to bills is reintroduced or if a new bill is introduced addressing a merger, the Select Committee will schedule a Public Hearing and render a decision to support or oppose the bill.

We would expect that the Select Committee members with their expertise and legislative influence would protect the over 8000 LEOFF I members, the city and county employers and the citizens of the State of Washington now under the committee's jurisdiction.

Respectfully,

A handwritten signature in cursive script that reads "R.C. Warbrouck".

Richard C. Warbrouck