

Dick:

Here is an email I sent to Mike Sells and John McCoy and the response. Since I referred to you and Jerry Taylor in my email I thought it appropriate that you see what I wrote. Please forward to Jerry Taylor.

Thanks.

Chuck King

---

From: [Mike.Sells@leg.wa.gov](mailto:Mike.Sells@leg.wa.gov)  
To: [ckingiii@hotmail.com](mailto:ckingiii@hotmail.com)  
Date: Tue, 19 Apr 2011 13:40:14 -0700  
Subject: RE: Possible NC: HB 2097

Thanks for the note back on it, Charles. I will certainly keep this in mind should the bill actually come up for action.

Mike Sells, State Rep  
38<sup>th</sup> Legislative District

**From:** charles king [mailto:[ckingiii@hotmail.com](mailto:ckingiii@hotmail.com)]  
**Sent:** Tuesday, April 19, 2011 12:31 PM  
**To:** Sells, Rep. Mike  
**Subject:** RE: Possible NC: HB 2097

Dear Mr. Sells:

Thanks for the information on funding for LEOFF 2 and the various bills connected with that system. However since I am a member of LEOFF 1 and since it is fully funded and will continue to be well into the future, I am not interested in combining the two systems. I am seriously concerned by a move by the leadership of the WSCOFF to lead you to believe that all firefighters are in favor of combining the two systems. Nothing could be further from the truth. Please continue to do your due diligence. For help in making the position of LEOFF 1 members clear, I refer you to Dick Warbrouk, president of the Retired Firefighter Of Washington (RFFOW) or Jerry Taylor, President Retired Seattle Police Officers Association (RSPOA) for more background.

Thanks again.

Chuck King

> From: [Mike.Sells@leg.wa.gov](mailto:Mike.Sells@leg.wa.gov)  
> To: [ckingiii@hotmail.com](mailto:ckingiii@hotmail.com)  
> Date: Tue, 19 Apr 2011 11:59:23 -0700  
> Subject: RE: Possible NC: HB 2097

>

> Yes, I signed the bill at the request of the Firefighters. Since then we have asked staff to look into it further because of concerns presented. Below is a recent e mail from the staff on it.

>

> Mike Sells, State Rep  
> 38th Legislative District

>

> We asked staff to look into the issues regarding LEOFF and we received the following:  
> Mike Sells, State Rep, 38th Legislative District

>

>

> LEOFF 2 is the Law Enforcement Officers' and Fire Fighters' pension plan. There are two funding issues in ESHB 1087, the 2011-13 operating budget and two bills that implement those funding decisions - HB 2068 and HB 2071.

>

> You are being told that there is no funding for LEOFF 2. That is incorrect. Section 714 (1) of ESHB 1087 appropriates \$105.9 million to the LEOFF2 retirement plan, which is the state's obligation. The state pays 20%, the employer - in this case cities or counties - pay 30% and the employee - the police officer or firefighter - pays 50%.

>

> Rates for LEOFF 2 are set by the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Board. This board was created by Initiative 790 to administer the plan and adopt funding rates. However, the Legislature retains the right to revise any contribution rates adopted by the board.

>

> The current LEOFF 2 rates are higher than the actuarial valuation prepared by the State Actuary indicates are required. The other pension systems - PERS, TRS, etc. - are funding at "90 percent of Entry Age Norm Cost", an actuarial method designed to produce a contribution rate that is a level percentage pay for a pension plan throughout a member's career.

>

> HB 2068: Lowers contribution rates for LEOFF 2 for the 2011-13 biennium. This saves the state \$15 million General Fund-State.

>

> HB 2071: This is an entirely separate issue. In 2008, the Legislature passed ESSB 6573. That bill required that starting in calendar year 2011, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, the state treasurer shall transfer money to the Local Law Enforcement Officers' and Firefighters' Retirement Systems Benefits Improvement Account. LEOFF 2 members wanted a mechanism to accumulate funding so they can add new benefits to their pension plan.

>

> Since revenue growth is above 5 percent, the statute requires a \$5 million transfer by September 30, 2011. The Governor did not make the transfer, and amended the statute in the back of the budget. We have been informed that this is not a good legal strategy, therefore a bill is required. The transfers increase each biennium. In the 2017-19 biennium, the transfer is \$50 million or one-third of the increase in revenue from the previous biennium.

>

> HB 2071 eliminates the \$5 million this biennium. It also specifies that if there are insufficient funds in the new account to support previously adopted benefits, any unfunded costs should be assessed through the regular funding mechanism for LEOFF 2.

>

> -----Original Message-----

> From: [ckingiii@hotmail.com](mailto:ckingiii@hotmail.com) [mailto:[ckingiii@hotmail.com](mailto:ckingiii@hotmail.com)]

> Sent: Tuesday, April 19, 2011 11:48 AM

> To: McCoy, Rep. John

> Cc: Sells, Rep. Mike; Harper, Sen. Nick

> Subject: Possible NC: HB 2097

>

> HOUSE INTERNET E-MAIL DELIVERY SERVICE

> SENATE INTERNET E-MAIL DELIVERY SERVICE

>

> TO: Representative John McCoy

>

> CC: Representative Mike Sells

> Senator Nick Harper

>

> FROM: Mr. Charles King (Possible Non-Constituent)

>

> STREET ADDRESS:

> 1011

> everett, WA 98201

>

> E-MAIL: [ckingiii@hotmail.com](mailto:ckingiii@hotmail.com)

>

> PHONE: (425) 259 - 3829

>

> BILL: 2097 (Against)

>

> SUBJECT: HB 2097

>

> MESSAGE:

>

> I see that your name is connected to this bill as a sponsor, along with Mike Sells. Please be aware that this bill is considered bad on many fronts by all the organizations that represent firefighters and police officers both active and retired. It is bad for cities, counties and fire districts. It may be constitutionally illegal. It may violate IRS rules. As you know LEOFF 1 is a closed pension system governed by the Select Committee on pensions and the legislature. LEOFF 2 is governed by the LEOFF 2 board. They can't simply be put together into one system. If this bill does come out of committee and onto the floor for a vote, please vote against it for the bad bill that it is.

>

> Charles King

> Everett Firefighters Local 46 (retired)

>

>

> NOTE: We could not determine that this constituent is in your district

>

> RESPONSE REQUESTED: Mr. King has requested a response to this message.