



Left to right: LEOFF I Board Member Dave Peery, LEOFF I Vice President Mark Curtis, Senator Linda Evans Parlette, LEOFF I President Bob Monize, LEOFF I Treasurer Jerry Birt



Left to right: LEOFF I Vice President Mark Curtis, LEOFF I Treasurer Jerry Birt, LEOFF I Board Member Dave Peery, Representative Steve Conway, LEOFF I President Bob Monize



LEOFF I COALITION

Law Enforcement Officers & Fire Fighters

Representing Retired and
Active Members of the
LEOFF I Retirement System

2008-2009 Annual Report



Left to right: LEOFF I Treasurer Jerry Birt, LEOFF I Board Member Dave Peery, LEOFF I Vice President Mark Curtis, Representative Mark Ericks, LEOFF I President Bob Monize



Left to right: Legislative Assistant Adam McCraw, LEOFF I Treasurer Jerry Birt, LEOFF I Board Member Dave Peery, LEOFF I Vice President Mark Curtis, Representative Barbara Bailey, LEOFF I President Bob Monize



Annual Report

LEOFF I COALITION

Law Enforcement Officers & Fire Fighters

By President Bob Monize

We Still Have Our Pension, Regardless of Loss

Yes, we have lost a lot of money from our pension fund portion of the Commingled Trust Fund (CTF). It was first said to be a 20 to 30 percent loss, but our numbers man, Bill Kantor, who has tracked fund health for a long time, estimates that the loss may get worse. The fall season Gains and Losses Actuary Report will tell us more. The loss should be enough to eliminate concern about someone planning a raid on our pension fund, because it is at low market value. Grabbing this fund now would cost huge amounts of recovery funds from other people in the future. We should be safe from them taking our pension for this year. Key points to make in this Annual Report are the following:

- The state is responsible to put more money in the fund later as needed for full funding.
- The surplus no longer exists and it will take many years to recover in any significant way.
- Even asset smoothing will not put the fund in good health; 21 percent interest rates are gone.
- We should no longer look for any equitable distribution of the so-called surplus. Don Daniels of the Seattle, PD and the Washington State Law Enforcement Association (WSLEA), ret., pointed out that this subject is now a moot point.
- Real, unfunded liability is unlikely, as long as a pension grab doesn't happen.
- The CTF could lose another \$2 billion of the \$15.6 billion as well, as time passes.



- Pension payments will continue to all annuitants for a long time to come, regardless of the economy.

The outgoing State Investment Board Director, Joe Dear, urged careful thoughts as legislators consider what to do about pension fund health in all systems. Some legislators were looking hard at taking pension money for the budget. Other legislators were more conservative and could see the great task of recovery later, if at all. No money raid has happened as of yet. Lower market values affect liabilities. The state cannot make money if the state takes money. The state believes it will get through these times, but will have to sell assets to cover debt when called in. We are fortunate for those earlier investment profits, given the drop in economy we experience now.

As LEOFF I Coalition people, we must keep the pressure on the legislature to keep our pension safe. 🐾

Just Say No

Some people still would like to see a restart of contributions from the 200 to 300 active duty workers. For this to happen, the state would need a new legislative bill to reverse the contribution holiday in the next year's legislative session for an even smaller number of remaining working people to contribute a minor amount of funds. There is not enough time to justify a reversal of government policy to make a difference to the pension plan life span. The Department of Retirement Systems (DRS) now pays out about \$27 million per month to retirees and annuitants. In contrast, Governor Gregoire wanted to use pension funds to balance the two-year budget. That has not happened yet. The idea was also to avoid pension contributions to the Public Employee Retirement Systems (PERS) and Teacher Retirement System (TRS) 1 retirees. That fact has been the same for years. Their pension systems are owed billions of dollars. The governor also seeks to consolidate the DRS into the Health Care Authority. Both have very different missions. An estimated \$15 million could be saved. 🐼



Our Pension in Detail

Bill Kantor has noticed the changes to the pension fund. The CTF had a high of \$66.4 billion in Sept. 2008. The Oct. 2008 LEOFF I fund portion was \$4.9 billion, but down to \$4.61 billion in Jan. 09. There was a drop of \$2.10 billion from the Oct. 2007 high of \$6.71 billion. The year over year loss was minus 26.68 percent. We had a drop of the CTF of \$9.4 billion in 2008. There was drop of 31.29 percent of plan market value in 15 months. Joe Dear could see five quarters of losses and the impact. It's no wonder why we lost so much pension money.

We had a 114 percent surplus and would be ripe for a pension grab if we were at 120 percent. The Federal Pension Act of 2006 covers the LEOFF I plan assets.

No LEOFF I assets can be used for medical expenses when under 120 percent. A number of LEOFF I people have been concerned that a termination plan would be aimed at the LEOFF I people to "re-state" us as a 401 type (h) plan. This would be a disaster for members and beneficiaries and could affect local disability boards. Thankfully, it didn't surface this year and last surfaced as a proposal years ago, in 2001. 🐼



The LEOFF I Coalition 2008-2009 Annual Report is an informational update for active and retired members of the LEOFF I Retirement System (Law Enforcement Officers and Fire Fighters). Comments from the public are encouraged and should be sent to:

President Bob Monize
bobbymonize@peoplepc.com

Mailing Address
LEOFF I Coalition
855 Trosper Rd. SW Ste. 108
PMB 127
Tumwater, WA 98512

Phone Number
360-570-1035

Website
www.leoff1coalition.org

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For meeting information call President Bob Monize at 360-387-9888

Lobbying in Olympia

“The LEOFF I board members are some of the most successful and dedicated volunteer lobbyists in the state. Keep up the excellent work!”

*-Representative Gary Alexander
Legislative Day, 2009*



Left to right: LEOFF 1 Board Member Dave Peery, LEOFF 1 Treasurer Jerry Birt, LEOFF 1 Vice President Mark Curtis, Representative Gary Alexander, LEOFF 1 President Bob Monize.

2009 Wrap Up

We hosted a good number of educational meetings around the State and are willing to do more.

The Department of Retirement Systems (DRS) arranged the LEOFF I Medical Benefits Study for the 2008-09. It was not a mandatory effort to work with all stakeholders, but they did and were able to talk and clear the air. We believe we are at the end of Phase One of the study.

We have a good pension system that is still funded and we want to keep it that way.



LEOFF I Coalition Made an Impact on These Bills:

HB1072/ SB5191 2001	Opposed	This bill would have eliminated local disability boards and create a health and welfare risk pool to help employers but did not happen.
SB6166 2001	Strongly opposed	This bill was a Termination Bill to cancel out our pension law, take the funds, give us an I.O.U, and a vague investment package of percent to pay us off. Our ATTY Firm, Hagens Berman LTD served the State with a suit on the day of voting. No vote was taken. No one lost anything. That was a good thing now, looking back in the face of the current recession losses to our pension fund. The State would have been in serious trouble now had they taken our pre-paid pension fund. The impact on us could have been disastrous in the current economy.
SHB2688 2006	Partly Vetoed	Together we did a great job of lobbying to the Governor Gregoire and individual legislators to encourage the governor to veto this bill that would have mandated us to help find a way to relieve the employers from liabilities of medical care and long term care. That portion of the bill was not on good legal ground. The governor did veto that portion.

If You Think Washington Has it Bad, Take a Look at California

California is in far worse shape than Washington. People there are presenting Initiative #1350 to force re-negotiation of pension contracts and to lower workers benefits. Note some of the following key words in the initiative:

- Past promises made to public employees for future pension entitlements were excessive.
- The public believes that there was no meeting of the minds between the tax payers and the public employees and, therefore, no contractual obligation obtained.
- Excessive promises for pensions will substantially impair tax payers' ability to pay.
- The pension promises made appear to be largely unattainable in this recession.
- More is paid to retirees of the Los Angeles Police Department than to active police officers.
- The measure is a "re-negotiating" of public employee pension contracts.
- It allows invested pension benefits to be reduced for existing and prospective public sector retirees.

Things can be far worse than the conditions we have in Washington. John Hart of Everett Fire, ret., said, "what you gain politically you can lose politically." 🐾

Educating Employers

With your help, in various ways, we have been able to educate cities and counties, as to what our medical benefits are.

Moses Lake

We assured financial assistance to a 2008 effort to back up the Moses Lake disability board dispute with the employer on deciding authority of who decides what is necessary medical care.

Lacey

Lacey had a similar issue as Moses Lake, but it was resolved over a cup of coffee.

Snohomish County

We provided considerable financial assurance for the 2003 Snohomish Co. #03-2-003258 suit to give disability boards there and everywhere the sole authority and responsibility to decide what is necessary medical care for LEOFF I members. 🐾

How to Become a LEOFF I Coalition Board Member

1. Be a LEOFF I person and available the whole year for meetings, at least 7 per year.
2. Be a member of a sitting group already on the Board, such as Washington State Retired Deputy Sheriff's, Police Officers' Assoc., be a member of the Seattle Retired Police Assn. or be a member of the Seattle Fire local 27 and ask your president to assign you if there is an opening
3. Register your self as interested in one of the 5 At-Large Board positions created a few years ago to invite independent LEOFF I members to participate from the east and west. Ask our Coalition President to be appointed in the future when a position comes open. Volunteers are not easily found, what with all the interests retirees have these days. We are appreciative to have the interested people to take our places as we move on. 🐾

Check out our website!
www.leoff1coalition.org



LEOFF I COALITION

Law Enforcement Officers & Fire Fighters

LEOFF I Coalition Board

President Bob Monize

Retired Snohomish County
Sheriff's Office
At-Large member

Vice President Mark Curtis

WA State Retired Deputy
Sheriff's & Police Officers Assoc.
Retired Thurston County
Sheriff's Office

Secretary Don Daniels

Washington State Law
Enforcement Assoc.
Retired Seattle PD

Treasurer Jerry Birt

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Dave Peery

Seattle Fire Local 27
Active Fire Fighter

Andy Wilson

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WA State Ret Deputy Sheriff's
& Police

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Retired Yakima Fire
At-Large member

Mike Rose

Active Spokane Fire
At-Large member

John Hart

Retired Everett Fire
At-large member

Michael Davidson

Retired Clark Co. SO
At-large member

Jerry Taylor

Seattle Police Dept.
Retired Officer's Association

855 Trosper Rd. SW Ste. 108
PMB 127
Tumwater, WA 98512
360-570-1035
www.leoff1coalition.org

Dear Members, We Need Your Help Now!

The LEOFF I retirement plan is the best one in the State of Washington. LEOFF I members receive monthly income, paid medical bills and the cost of nursing homes, which can cost more than \$14,000 per month per person. At the time the LEOFF I Coalition was set up not many people lived past 90 years old, but it is becoming more common, so having a secure, long lasting retirement fund is very important. Retirees often leave behind a spouse that inherits their benefits, when qualified. It is important to protect your spouse. Cities and counties don't have the money they once had and they are looking at ways to cut costs. I believe they are going to go after your pension. LEOFF I needs a war chest to be able to protect your retirement. Without a lot of money saved up, we won't be able to do anything to stop them.

In 2007 the LEOFF I Coalition asked for a monetary donation. Those who have contributed two, three, four and even more times, feel that all of us should help. Our annual expenses for 2008 were about \$30,000. Some of you might be wondering what your contribution is used for. Contributions make it possible for us to keep pressure on the legislators, cities and counties, hold meetings, maintain the website, provide phone answering service and office supplies, do research, update mailing lists and create annual reports and newsletters. We may need to enforce the pension law and that takes money. Travelling is a real cost. I expect travel costs will go up in 2009-2010, because the LEOFF I Board Members will need to increase their meetings in Olympia with legislators and around the state with cities and counties to make sure they continue to honor the contract. Your contributions are important. We have statewide LEOFF I people that we need to communicate with. Since the postage rate, cost of annual reports, insurance, and CPA audits for our non-profit 501(C)(5) corporation have gone up, now your

continued on page 7

The mission of the LEOFF I Coalition is to protect the integrity of the LEOFF I Law and LEOFF I Retirement Trust Fund. LEOFF I Coalition members are law enforcement officers and fire fighters.

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We Need Your Help Now

continued from page 6

contributions are even more necessary. We need them to continue working to protect your pension. The longer we have a solid presence, the harder it is to take or borrow money from the pension. Remember what happened to Social Security; the federal government borrowed and doesn't have the money to pay it back. We don't want the state to borrow our pension and not have money to pay it back. The LEOFF I Coalition can continue working only if your generous contributions are there.

We ask for an annual contribution for those who have already contributed and a more serious contribution from those who have not. We have done a good job protecting the more senior LEOFF I Coalition members, but still need to protect the remaining ones. No one has lost any benefits, mainly because we hold the state, counties and cities to the defined benefit Contract Law. We have a good pension and want to keep it that way!

The LEOFF I Coalition Board, that is made up of volunteers, does a great job. Their voluntary job is to protect your pension fund. They only receive reimbursement for travel, not pay. We would like to thank the volunteer board for all the time they give to guard our pension for members and our spouses. We would like to thank our members for your continuous financial support. LEOFF I Coalition needs the cash on hand to lobby the legislature and fight with the cities and counties to make sure they continue to honor the pension retirement contract. Our goal is to raise \$35,000. Without a war chest we become a lame duck. Your financial support is important to keep us going.

Please take a look at the envelope and write a check or fill out your credit card information to donate what you can afford. When making your contribution remember you can't afford to have your pension cut. Look at what retirees in California are facing.

Thank you,



LEOFF I Coalition President Bob Monize

Dedicated to Don Daniels

The LEOFF I Coalition 2008-2009 Annual Report is dedicated to Don Daniels. Don served as secretary since 2004 in an exemplary manner and was one of our earliest supporters. He is a retired police officer from the Seattle Police Department.

Thank you Don Daniels!

Thank you Attorney Joe Fischnaller and Dan Downs, for doing such great work for the LEOFF I Coalition on the Medical Study.



The Medical Study, which is funded by the state, is now going into phase two.



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PMB 127

855 Trosper RD SW STE 108

Tumwater, WA 98512

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Left to right: LEOFF I Treasurer Jerry Birt, LEOFF I Vice President Mark Curtis, Representative Kelli Linville, LEOFF I President Bob Monize, LEOFF I Board Member Dave Peery



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Left to right: LEOFF I Vice President Mark Curtis, LEOFF I President Bob Monize, Senator Randi Becker, LEOFF I Board Member Dave Peery, LEOFF I Treasurer Jerry Birt



Left and right: LEOFF I Treasurer Jerry Birt, LEOFF I President Bob Monize, Senator Mary Margaret Haugen, LEOFF I Vice President Mark Curtis, LEOFF I Board Member Dave Peery