

POLICE & FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
SPECIAL MEETING – VIA TELEPHONE CONFERENCE
MARCH 20, 2017 – 9:34 a.m.
233 East Fulton

The meeting was called to order by Chairman Michael Hawkins. Other members present: Mr. Thomas VanderPloeg, Mr. Philip Balkema (in person), and Mr. Phillip Mitchell. Absent: Vice Chairman Craig VanderWall, Ms. Jane Hofmeyer, and Mr. Jon O'Connor.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System and Ms. Sara VanderWerff, City Comptroller.

Mr. VanderPloeg made the motion to excuse the absences of Vice Chairman VanderWall, Ms. Hofmeyer, and Mr. O'Connor. The motion was seconded by Mr. Balkema and carried.

Public comments regarding agenda items: Ms. VanderWerff asked if there was an agenda packet for this meeting; Ms. Korzen stated there was no attachment for the agenda because the actuary's memo was included in the February agenda for both retirement systems, and the March agenda for the General Retirement System. Ms. VanderWerff commented that it was her belief that the Open Meetings Act required a quorum to be present in person and members could not dial in for an open meeting. Ms. Korzen noted that she asked the Board's attorney and he stated that it is legal under the current Open Meetings Act (OMA) provisions. There was legislation introduced to make changes, but it was not passed. Mr. Balkema commented that he had asked the same question and received the same answer. The attorney for the Board informed Ms. Korzen that the OMA requires the meeting to be posted to the public in a timely manner, which it was, and that the public have access to the meeting.

This special meeting was called to discuss actuarial assumptions that were presented at the February 15, 2017 regular meeting. At the February 15, 2017 meeting Trustees voted to lower the price inflation assumption only, as perhaps it was unclear that the actuary's recommendation was to lower both the price inflation and wage inflation assumptions because they are tied together for preparing the annual actuarial valuation. A special meeting was called to provide clarification so that the actuary can complete the actuarial valuation for December 31, 2016 in time to present it at the May 2017 regular meeting. The most recent experience study for the retirement system set the implicit long-term price inflation assumption at 2.75%. GRS recommends that the price inflation assumption be lowered to 2.5% and that the wage inflation assumptions also decrease to 3.25%. Mr. VanderPloeg asked if the funding level would decrease slightly as well if the wage inflation were decreased. It was noted that the funded ratio would increase slightly. Mr. VanderPloeg made the motion to lower the price inflation assumption to 2.5% and the wage inflation assumption to 3.25% effective for the December 31, 2016 actuarial valuation. The motion was seconded by Mr. Mitchell and carried.

There were no comments on items not on the agenda.

The meeting adjourned at 9:43 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, May 17, 2017, at 9:30 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System

03/20/17