

RETIREMENT COMMITTEE MEETING

May 16, 2018

The City of Fairfax Retirement Plan Administrative Committee convened at 8:38 am on Wednesday, May 16, 2018 in room 111 at city hall. Members in attendance were: Dave Hodgkins, Chairman and Assistant City Manager/Finance Director, Bob Sisson, City Manager, Martin Nachtman, Public Safety Primary Representative, Julie Moran, General Employee Primary Representative, Kerry Kidd, General Employee Alternate Representative, Steve Moloney, Retiree Alternate Representative and Jamil Ahmed, Citizen Representative. Absent were: Joel Hendelman, David Busch and Councilmember Schmidt.

The committee decided to move two items out of agenda order due to concern there might not be a quorum later in the meeting to approve the minutes and service retirements.

Bob Sisson motioned to approve the minutes of February 28, 2018 which was seconded by Steve Moloney and approved unanimously except for Kerry Kidd and Julie Moran.

Jamil Ahmed motioned to approve the service retirements of Joyce Hall and Gayle Rimmer which was seconded by Steve Moloney and approved unanimously.

Keith Stronkowsky from NEPC pointed out that his firm is no longer known as New England Pension Consultants, they have changed their name to NEPC.

Mr. Stronkowsky presented the market update for the period ending March 30, 2018. Plan assets as of March 30, 2018 were \$129,182,851.

Heidi Barry from Gabriel Roeder Smith (GRS) presented the six year experience study via conference call for the time period July 1, 2011 – June 30, 2017. Below are the recommended demographic changes from the Experience Study:

Demographic/Miscellaneous Assumption Change Summary

Below is a summary of the recommended changes to assumptions. We recommend adopting the demographic assumptions as a package.

Assumption	Recommendation
Retirement	General: Lower Rates Public Safety: No Change
Disability	General: Higher Rates Public Safety: No Change
Mortality	Lower Rates
Withdrawal	General: Higher Rates Ages 1-25; Lower Rates Ages 26+ Public Safety: No change Ages 1-25; Lower Rates Ages 26+
Pay Increase Rates (Merit and Seniority)	Lower Rates
Accrued Sick Leave Service	Decrease Factors
Optional Forms of Payment	Decrease Factors
Annual Benefit Redetermination	Decrease Rates
Amortization Method	Closed 10-year Period
Price Inflation	2.50%
Wage Inflation	3.25%

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In addition to the proposed changes in the chart above, GRS recommends that the city continue to use the current asset valuation method, and that the city should consider establishing a corridor in the range of 10% to 30%.

Mr. Ahmed departed the meeting at 10:10 am.

Ms. Barry discussed the draft of the proposed Actuarial Funding Policy. Mr. Hodgkins requested that the members review the draft, mark it up with any changes they would like and return them to Ms. Shelton within two weeks so the changes could be consolidated into one document to be returned to Ms. Barry at GRS.

Mr. Sisson thanked Mr. Stronkowsky for all the help and advice that he and NEPC have given the committee over the years, and how impressed he is with the quality of the services provided and requested that his remarks be reflected in the minutes.

Mr. Sisson also expressed his appreciation to the committee members for their service and oversight of the retirement supplemental plan.

Mr. Hodgkins thanked Mr. Sisson for his years of service to the city and the retirement committee as Mr. Sisson is retiring on July 1, 2018.

The next meeting scheduled is for August 15th and the members discussed if they would be available or not (Martin Nachtman cannot make that date).

Mr. Sisson mentioned that since Councilmember Schmidt did not seek reelection, the city council will need to appoint a new representative to the committee and could possibly do that when the councilmembers meet on June 6th.

Dave Hodgkins motioned to adjourn the meeting which was seconded by Bob Sisson and approved unanimously.

The meeting adjourned at 11:06 am.