

**VILLAGE OF GROSSE POINTE SHORES  
MINUTES OF PENSION MEETING  
FEBRUARY 5, 2019**

A meeting of the Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Tuesday, February 5, 2019 in the Grosse Pointe Shores Municipal Building, 795 Lake Shore Road. The meeting was called to order at 7:35 a.m. by Chairman Campbell.

Present were: Chairman Bruce Campbell  
Commissioner Charles Ruifrok  
Commissioner Alternate Mike Way  
Commissioner Scott Rohr  
Mayor Ted Kedzierski

Excused: None

Also present: City Manager Mark Wollenweber, Don Lindow, William Gough of Azimuth Capital Management.

APPROVAL OF MINUTES OF THE MEETING HELD ON OCTOBER 2, 2018

On motion by Commissioner Rohr and seconded by Commissioner Ruifrok duly carried, the minutes of the meeting held on October 2, 2018 were approved as submitted. PASSED 5-0.

OLD BUSINESS

None

NEW BUSINESS

Bill Gough and Don Lindow from Azimuth Capital Management went through their handout on the portfolio summary. (See Attached.) Don mentioned the bottoming out of the market on Christmas Eve and that they felt it was based upon the algometric trading. They expect growth next year to be above 2%. He also pointed out that while December was one of the worst on record, January was one of the best on record. Bill mentioned that they didn't have to make many changes to keep within the target of 70% in equities.

Bill went through the handout and on page one and noted the calendar year end value of the portfolio as \$22.3 million and as of January it has recovered to be \$23.6 million. On the second page, it was pointed out that for the year end we were down 2.23% vs the S&P being down 4%. In response to a question, it was pointed out that International was about 9% of the total portfolio. China is projected to do a massive stimulus program to assist their economy. He also mentioned that the European market will deal with Brexit as well and that both, if resolved will help improve growth.

There was a discussion on what the Fed is expected to do based upon their analysis of the data and not just their early projections. Bill pointed out the difference between earnings decline and a slower earnings growth. They also talked about the strategy of keeping some funds liquid and invested in shorter term treasury notes. The Mayor pointed out the annual requirements for pension and OPEB to be about \$1.3 million. A question was raised as to what rate of return CALPERS is using and Bruce checked and believed it to be 7% like the rate of return used by this pension system. There was a discussion that the GP Shores system made the correct decision to reduce the rate of return to 7% ahead of many other systems. The Mayor pointed out that our system is really dependent upon the returns in the equity portion of the portfolio. The Board felt satisfied with the information provided by Azimuth and they felt the actions of the Board in moving forward and understanding of the information presented, resulted in a good working relationship.

#### NEXT MEETING DATE

It was suggested that the next meeting be set for Tuesday, May 14, 2019 at 7:30 am in the Council Room.

The meeting was adjourned at 8:40 am on motion by Commissioner Rohr seconded by Commissioner Ruifrok PASSED 5-0.

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Mark Wollenweber, City Manager