

**VILLAGE OF GROSSE POINTE SHORES
MINUTES OF PENSION MEETING
MAY 17, 2018**

A meeting of the Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Thursday, May 17, 2018 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
Commissioner Tom Krolczyk
Mayor Ted Kedzierski (arrived 7:35)

Absent: None

Also present: City Manager Mark Wollenweber and Don Lindow, William Gough of Azimuth Capital Management, Attorneys, Tom Michaud and Robert Abb.

APPROVAL OF MINUTES OF THE MEETING HELD ON FEBRUARY 15, 2018

On MOTION by Commissioner Rohr and SECONDED by Commissioner Ruifrok duly carried, the minutes of the meeting held on November 9, 2017 were approved as submitted. PASSED 4-0.

OLD BUSINESS

None

NEW BUSINESS

Bill Gough and Don Lindow from Azimuth Capital Management went through their handout on the portfolio summary. He indicated that January 26, 2018 was an all-time high for the DOW. It was mentioned that the fundamental economic changes were driving up the stock market. Our system is capped by State Law at 70% for equities and they rebalance as needed to keep us within that cap. They reviewed the reconciliation on page 6 and indicated that rates are going up for the right reasons. It was noted that the S & P 500 is about 25% tech stocks. It was also mentioned that 3-year Treasuries is a likely investment in the future. They answered several questions from members and the Chair asked about both GE and Gilead as they were low performers.

The Board agreed to take Item C next and the Manager introduced the two representatives from the attorney firm and they provided a brief introduction to their firm. It was indicated that they are reviewing some of the basic Pension documents to make sure they are consistent with recent law changes.

The Board had received the email from the MERS representative that the requirement to have a vote of the people to withdraw from the MERS system is no longer a necessary. It was indicated by staff that any affiliation with MERS is not being recommended based upon current funding issues with their system.

On item D, Mayor Kedzierski passed out a summary of funding status of city pension systems that is available from the State website based upon the recently passed state law. He indicated that it lists communities and some nearby have had to ask for a waiver. He also mentioned that the State has created a composite rate for each of the communities. He also mentioned that our pension contribution is \$310,000 for health care and that we are within \$130,000 of having to ask for a waiver. It was suggested that we keep this item on the agenda for additional future discussion and updates.

NEXT MEETING DATE

It was suggested that the next meeting be set for Tuesday, September 25, 2018 at 7:30am in the Council Room. (Note, that this is the same date for a Planning Commission meeting and may need to be moved.)

The meeting was adjourned at 9:15 am on MOTION by Commissioner, Rohr seconded by Chairperson Campbell PASSED 5-0.

Mark Wollenweber, City Manager