

**VILLAGE OF GROSSE POINTE SHORES  
MINUTES OF PENSION MEETING  
November 9, 2016**

A meeting of the Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Wednesday, November 9, 2016 in the Grosse Pointe Shores Municipal Building, 795 Lake Shore Road. The meeting was called to order at 7:32 a.m. by Chairman Campbell.

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

Absent: Mayor Ted Kedzierski-excused

Also present: City Finance Officer/Treasurer, Rhonda Ricketts, Sandra Rodwan of Rodwan Consulting Company and Don Lindow of Azimuth Capital Management.

APPROVAL OF MINUTES OF THE MEETING HELD ON SEPTEMBER 19, 2016

On Motion by Commissioner Ruifrok and Seconded by Commissioner Rohr duly carried, the minutes of the meeting held on September 19, 2016 were approved as submitted. PASSED 3-0. Mike Way abstained.

OLD BUSINESS

None

NEW BUSINESS

Sandra Rodwan presented the actuarial valuation and actuarial information for GASB Statements 67/68 for the fiscal year ending June 30, 2016. The current funded ratio for the pension system is 94.1% which is 1% lower than last year's ratio. The current ratio is still very high compared to other plans. The funding value of accrued assets were \$20,453,927 compared to the accrued liabilities of \$21,742,961.

The market value of the investment assets did decrease as of June 30, 2016, as did most plans, due to the market volatility with changes abroad. The smoothed valuation of assets on the other hand did increase nearly \$500,000 from last year due to the utilization of the four-year smoothing valuation method. Most plans utilize smoothing valuations ranging from three to five years. Ms. Rodwan feels confident of the plan using a four-year method. The nominal rate of return of Funding Value of Assets was 8.38% for the year versus the 7% rate of return assumption.

The City's contribution rate for 2016/2017 has been calculated as \$309,565 – a slight increase from the previous year's recommendation. Ms. Rodwan suggested to look at a level dollar

contribution in the future due to the retirement system being closed to new hires. She will present to the commission a comparison of contributions using the level dollar funding at a future meeting.

Another assumption change to be presented at the next meeting will look at changing the mortality table from the current RP 2000 to the RP 2014 which was used for the GASB valuations as required.

Overall Ms. Rodwan finds that the retirement system is soundly funded and is pleased with the results.

Discussion continued regarding the actuarial information for GASB statements 67/68. The total pension liability using the required discount rate of 5.3% is \$27,890,528 compared to the accrued liability amount of \$21,742,961. The liability amounts differ due to the use of the discount rate and the use of the RP 2014 mortality table.

On Motion by Commissioner Ruifrok and Seconded by Commissioner Rohr duly carried, the Actuarial Valuation and Actuarial Information for GASB Statements 67/68 for June 30, 2016 were received and accepted. PASSED 4-0.

On Motion by Commissioner Rohr and Seconded by Commissioner Ruifrok duly carried, the Employer Contribution for fiscal year 2016/2017 in the amount of \$309,565 was adopted. PASSED 4-0.

#### NEXT MEETING DATE

It was suggested that the next meeting be set for Tuesday, January 17, 2017 at 7:30am in the Council Room.

The meeting was adjourned at 8:30am by a Motion made by Commissioner Rohr seconded by Commissioner Ruifrok, PASSED 4-0.

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Rhonda Ricketts, City Finance  
Officer/Treasurer