

**VILLAGE OF GROSSE POINTE SHORES
MINUTES OF PENSION MEETING
November 19, 2019**

A meeting of the Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Tuesday, November 19, 2019 in the Grosse Pointe Shores Municipal Building, 795 Lake Shore Road. The meeting was called to order at 7:33 AM 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: Rhonda Ricketts, Finance Officer/Treasurer, William Gough of Azimuth Capital Management, and Sandra Rodwan of Rodwan Consulting Company.

APPROVAL OF MINUTES OF THE MEETING HELD ON SEPTEMBER 11, 2019

On MOTION by Commissioner Rohr and SECONDED by Commissioner Ruifrok duly carried, the minutes of the meeting held on September 11, 2019 were approved as submitted.
PASSED 5-0.

OLD BUSINESS

None

NEW BUSINESS

2019 Actuarial Report and related GASB statements

Ms. Rodwan presented the commission members copies of the 2019 Actuarial Report and the related GASB 67/68 and 74/75 statements. The purpose of the annual actuarial study is to report on the funding level and condition of the retirement system and to provide the City's recommended contribution rate.

The system's experience was more variable than in the past mainly due to the increased investment returns. The market value of the system's assets increased from \$21.6 million to \$22.8 million.

The computed contribution rate for fiscal year 2019/2020 is 21.41% of payroll – equivalent to \$373,086 – increased from last year's contribution of \$267,096. Part of this increase is due to the removal of the "frozen" FAC calculation.

Assumptions used in the calculations remained unchanged from the previous year. Chairman Campbell reiterated the need to update the mortality table used in the study. Currently the system is using the RP 2000 Combined Healthy Mortality Table; a new table has been created that is specific to public employees – PUB 2010 Mortality Table. Ms. Rodwan will perform a study on the effect on the proposed change to the system.

Azimuth Capital – Investment update

Mr. Gough presented the commission with the Retirement System's investment portfolio as of November 15, 2019. At the beginning of the calendar year, investments were valued at \$22.3 million and have grown to a current \$25.7 million.

The U.S. economy is still growing. The S & P market is up 25% thus far in 2019. The environment is good for equities and are generating dividends better than the fixed income market.

The total portfolio has experienced an investment return of 17.93% to date. The fixed income portion has experienced a 4.08% investment return while the equity portion has experienced a 24.95% investment return.

The equity portion of the portfolio is currently allocated: 69% Value strategy, 17% Growth strategy and 14% with International strategy.

NEXT MEETING DATE

It was suggested that the next meeting be set for Tuesday, March 3, 2020 at 7:30 AM.

The meeting was adjourned at 9:48 AM on MOTION by Mayor Kedzierski seconded by Commissioner Rohr. PASSED 5-0.

Rhonda Ricketts, Finance Officer/Treasurer