

**VILLAGE OF GROSSE POINTE SHORES  
MINUTES OF SPECIAL PENSION MEETING  
JANUARY 19, 2016**

A meeting of the Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Tuesday, January 19, 2016 in the Grosse Pointe Shores Municipal Building, 795 Lake Shore Road. The meeting was called to order at 7:38 a.m. by Chairman Campbell.

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

Absent: None

Also present: City Manager Mark Wollenweber, Don Lindow and William Gough of Azimuth Capital Management, Rhonda Ricketts, Finance Officer/Treasurer, Brett Smith, DPW Director

APPROVAL OF MINUTES OF THE MEETING HELD ON NOVEMBER 5, 2015

On MOTION by Commissioner Ruifrok and SECONDED by Commissioner Rohr duly carried, the minutes of the meeting held on November 5, 2015 were approved as submitted. PASSED 5-0.

OLD BUSINESS

None

MARKET UPDATE

Don Lindow and Bill Gough from Azimuth Capital Management went through the handouts on the portfolio summary and answered questions from the Board. They pointed out that the funds were now fully transitioned and presented members with a colored graph showing the transition. It was pointed out that pension investments are for the long term and are more like a marathon and not a sprint. It was discussed that futures today are up and that the earnings of the large companies held are also up. In response to a question that the portfolio contains strong energy stocks that are up 4.7% and that the portfolio is helped by the consumer staples that are also held. They discussed that the economy reflects almost no inflation. Strong monthly employment numbers have also been reported. An additional handout about "fang" stocks held in the portfolio was also discussed. The portfolio contains Amazon, Facebook and Google stocks as well as shares in Apple.

## NEW BUSINESS

The manager mentioned that this item was listed for discussion by the Pension Commission at the request of the Mayor even though it is not normally an action item for the Pension Commission but upon recommendation of staff it would be acted upon by City Council. As required by state law an actuarial study is required for any pension changes and that two reports have been provided to the Commission as well as City Council as to the cost of the proposed changes. The second cost estimate was requested by the Pension Commission Chair to amortize the cost over 5 years instead of the usual 20 year period. By using a 5 year period the cost goes up but there is a substantial reduction in the overall cost due to the interest at the shorter time frame. MOTION BY Commissioner Rohr, SECONDED by Commissioner Ruifrok. PASSED 4-0, Mayor Kedzierski abstained so that he can vote on it at the upcoming Council meeting.

In keeping with the normal quarterly meetings the Board suggested Monday, March 7, 2016 as the next meeting date at 7:30am. As the Council room will be set up for the next day's election, the meeting will be held in the 2<sup>nd</sup> floor Council Room.

## ADJOURNMENT

The meeting was adjourned at 8:51 a.m. by a MOTION made by Commissioner, Ruifrok seconded by Commissioner Rohr. PASSED 5-0.

---

Mark Wollenweber, City Manager