

**VILLAGE OF GROSSE POINTE SHORES  
MINUTES OF PENSION MEETING & SPECIAL FINANCE MEETING  
August 13, 2013**

A meeting of the Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Tuesday, August 13, 2013 in the Grosse Pointe Shores Municipal Building, 795 Lake Shore Road. The meeting was called to order at 7:30 a.m. by Chairman Campbell.

Present were: Chairman Bruce Campbell  
Mayor Ted Kedzierski  
Commissioner Charles Ruifrok  
Commissioner Sgt. James Wardowski  
Commissioner Thomas Krolczyk

Absent: None

Also present:  
Mr. George Vitta, Asset Strategies  
Mark Wollenweber, City Manager  
Rhonda Ricketts, Finance Officer/ Treasurer

APPROVAL OF MINUTES OF THE MEETING HELD ON May 14, 2013

On motion by Mayor Kedzierski, seconded by Commissioner Ruifrok and duly carried, the minutes of the meeting held on May 14, 2013 were approved as submitted 5 - 0.

OLD BUSINESS, FIXED INCOME MANAGER

A presentation from Comerica who is still representing Wilson Kemp was made by Christopher Ruth and Dan Byrd. They will focus on A rated commercial funds and not municipal bonds. The committee asked several questions about holding bonds until they mature and it was pointed out that their fee is currently 28 basis points.

The next presentation was made by Don Lindow of Azimuth Capital who said that the Shores was his client at Wilson Kemp since 1991 until he and all but one other left Wilson Kemp to go to Azimuth. He said 90% of their previous clients have moved to Azimuth. Their investment philosophy is to use more corporate securities but do include essential services municipal bonds except for Detroit. Their fee is also 28 basis points. It was pointed out that they have the ability to trade with many firms not just a bank trading desk

INVESTMENT PERFORMANCE ANALYSIS

Investment Consultant, George Vitta of Asset Strategies, presented his Investment Performance Analysis report. The conclusions are on page 3 with total fund results on page 6. It was mentioned that US corporate returns are in the 7-9% range. It was moved by Mayor Kedzierski and seconded by Commissioner Wardowski to accept and file the report.

## FINANCE COMMITTEE PRESENTATION

Chair Bruce Bisballe of the Finance Committee made a brief presentation on many of the vendors they looked at to cut costs and suggested that the Pension Board look at the total cost to run the pension system and suggested they benchmark against what other systems charge. It was suggested that a member or two of the Pension Board be asked to work with the Finance Committee to review all costs and suggest various options. Commissioners Campbell and Ruifrok agreed to work with the Finance Committee.

## OPEB VALUATION PRESENTATION

Denise Jones of Rodwan Consulting presented the Pension Commission with the Actuarial Valuation of the Retiree Health Care Fund as of June 30, 2012. It is a GASB requirement that the City have this valuation performed every three years. The same assumptions that are used with the annual pension system valuation are used for the health care fund with the addition of a medical care inflation rate that starts at 8%, decreasing annually 0.5% over the next 8 years.

Accrued liabilities for post-employment health benefits were computed to be \$8,669,148 as of June 30, 2012. The market value of assets were reported at \$2,151,952 for the same period, leaving an unfunded actuarial accrued liabilities at \$6,517,196 or 24.8% funded ratio. It was moved by Mayor Kedzierski and seconded by Commioner Ruifrok to receive and file the report. Approved 5-0

## NEXT MEETING

Wednesday, November 13, 2013 at 7:30 PM. It was suggested that Sigma be invited to provide an update.

## ADJOURNMENT

Motion by Commissioner Wardowski, seconded by Commissioner Ruifrok that the meeting be adjourned at 10:42 AM. Approved 5-0.

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Mark Wollenweber, City Manager