

**VILLAGE OF GROSSE POINTE SHORES  
MINUTES OF SPECIAL PENSION MEETING  
JANUARY 21, 2014**

A Special meeting of the Commission of the Village of Grosse Pointe Shores, A Michigan City Employees Retirement System was held on Tuesday, January 21, 2014 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 Tom Krolczyk  
                          Mayor Ted Kedzierski

Absent:                Commissioner Jim Wardowski (Excused)

Also present:         City Manager Mark Wollenweber

**APPROVAL OF MINUTES OF THE MEETING HELD ON NOVEMBER 20, 2013**

On motion by Mayor Kedzierski, seconded by Commissioner Ruifrok and duly carried, the minutes of the meeting held on November 20, 2013 were approved as submitted 4 - 0.

**FINANCIAL STATEMENTS – None**

**INVESTMENT PERFORMANCE ANALYSIS -None**

**INVESTMENT MANAGER PRESENTATIONS –None**

**OLD BUSINESS**

The Chair indicated that he had heard from George Vitta at Asset Strategies that he would consider a small modification to the fee structure. He mentioned that the last report from Asset Strategies was unsatisfactory and that if the Board picked one of the other three firms mentioned in the report that there would be extra fees as they would liquidate current assets and this was not mentioned in the report. The other board members agreed that there would be a cost to liquidate and that left the choice of the Board to either staying with Wilson – Kemp or moving to Azimuth with the staff that moved from Wilson Kemp. Chairman Campbell mentioned that he had spoken to a pension board member from Grosse Pointe City and that while they are working toward an agreement with MERS. They have used Don Lindow for all of their investments. Mayor Kedzierski felt that our system was too small and that the administrative costs are too high as we are such a small system. After the discussion a MOTION was made by Commissioner Krolczyk and seconded by Commissioner Ruifrok to terminate the services of Asset Strategies based upon the expense and value received

effective immediately and that the Manager review this with the City Attorney and advise Commissioner Wardowski (who was not present) today was also included in the motion. APPROVED 4-0.

The Board discussed the previous reports on the fixed income portion of the system and narrowed the choices to stay with Wilson Kemp/Comerica or move to Azimuth. Members of the board felt that the presentation by Don Lindow representing Azimuth was one of the best discussions of the bond market. A MOTION was made by Commissioner Ruifrok, seconded by Mayor Kedzierski to move the fixed income portion of the pension system from Wilson Kemp to Azimuth Capital Management effective as soon as practical. The Board considered the following points in support of their decision: 1. The past portfolio managers and their previous performance. 2. The management fees are substantially less than that of a mutual fund. 3. This move avoids liquidation fees. 4. The Board has been pleased with the investment philosophy used by Don Lindow when he and the others at Azimuth were in charge of our funds at Wilson Kemp. 5. The built in fees of the other 3 options which were mutual funds. APPROVED 4-0. Staff was asked to notify Commissioner Wardowski and notify the affected parties of the Board's decision.

#### NEXT MEETING

It was suggested that February 18, 2014 at 7:30 am be considered as the next meeting date and that Don Lindow be asked to attend.

#### ADJOURNMENT

The meeting was adjourned at 9:25 a.m.

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Mark Wollenweber, City Manager