

MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
November 27, 2012

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, November 27, 2012 at 8:00 a.m. in Room 102 of City Hall, 410 Ludington, Escanaba, MI.

Board Members Present: Robert Valentine, Blake Cowen, Todd Chouinard, David Schaaf

Board Members Absent: Darin Hunter

Guests Present: Council Liaison Brady Nelson, Alan Stotz, CPA

Approval of Minutes – October 23, 2012

Board member Schaaf moved for approval of the October 23, 2012 minutes. Board member Chouinard supported the motion. There being no further discussion, the motion was approved unanimously.

Approval/Adjustments to the Agenda

None

Conflict of Interest Declaration

None

Unfinished Business

None.

New Business

Audit Review

Alan Stotz, CPA, from Anderson Tackman and Co. presented the Audit Report for the Plan's audit covering the fiscal year ending on 6/30/2012. Mr. Stotz advised that the audit was a "clean" audit, and no material "irregularities" were noted. Mr. Stotz further explained the audit process, methodology and sampling procedures which accompany preparation of the audit report. Mr. Stotz advised that the Management Discussion and Analysis (MD&A) section of the audit was intentionally omitted, which is technically non-GASB compliant. Mr. Stotz explained that inclusion of the MD&A would not be "material". Board member Chouinard moved for acceptance of the report.

Board member Cowen supported the motion. There being no further discussion, the report was unanimously accepted.

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Investment Performance

Secretary Valentine presented the following summary of plan investment returns through October 30, 2012:

	09/30/2012	10/31/2012	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Bond Index	5,143,320	5,103,378	25.0%
Eaton Vance Bonds	<u>2,163,946</u>	<u>2,179,172</u>	<u>10.7%</u>
Total Bonds	7,307,266	7,282,550	35.6%
STOCKS			
Vanguard Stock Index	4,803,090	4,714,225	23.1%
Vanguard Sm Cap Gro Idx	2,229,255	2,177,077	10.7%
JP Morgan Mid Val	4,140,971	4,182,633	20.5%
Vanguard REIT Index	976,178	968,235	4.7%
DFA Int'l Value	<u>1,093,264</u>	<u>1,107,352</u>	<u>5.4%</u>
Total Stocks	13,242,758	13,149,522	64.4%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>20,550,024</u>	<u>20,432,072</u>	<u>100.00%</u>

Investments continued on next page.

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	Oct-12	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year
BONDS						
Vanguard Bonds VBTSX	0.1%	4.1%	0.3%	5.0%	10.3%	19.1%
Eaton Vance Bond Fund EVIBX	0.7%	13.2%	2.7%	11.1%	17.4%	38.6%
Escanaba Bond Composite	0.3%	6.7%	1.0%	6.8%	12.5%	24.5%
Merrill HY Master Index J0A0	0.9%	12.8%	3.4%	13.2%	18.6%	41.4%
Merrill BOA01 Index	0.4%	5.0%	0.5%	6.1%	11.6%	21.2%
STOCKS						
Vanguard S&P 500 Index Fnd VIFSX	-1.9%	14.4%	3.0%	15.3%	24.5%	44.6%
Vanguard Sm Cap gro Idx VISGX	-2.3%	12.6%	4.2%	11.3%	24.0%	62.1%
JP Morgan Mid Value FLMVX	1.0%	18.3%	5.7%	20.2%	30.7%	63.4%
DFA Int'l Value DFIVX	1.3%	9.5%	9.2%	3.0%	-5.5%	4.8%
Vanguard Reit Index VGRSX	-0.8%	n/a	n/a	n/a	n/a	n/a
Escanaba Equity Composite	-0.7%	14.6%	4.2%	14.8%	22.9%	48.3%
S&P 500 Index	-2.0%	12.3%	2.4%	12.7%	19.3%	36.3%
EAFA Int'l Index	0.8%	7.8%	5.8%	1.1%	-5.8%	-0.7%
MSCI REIT Index	-0.8%	13.9%	-2.7%			
Russell 1000 : Mid Cap Index	-1.8%	12.4%	2.7%	12.6%	19.2%	37.6%
Russell 2000: Small Cap Index	-2.2%	10.5%	4.0%	10.5%	16.4%	45.5%
Russell 3000: Broad Mkt Index	-1.8%	12.3%	2.8%	12.4%	19.0%	38.2%
OVERALL						
Escanaba Portfolio Composite	-0.4%	11.8%	3.0%	12.0%	19.6%	40.0%
Combined Passive Index	-0.9%	10.4%	2.0%	10.6%	17.0%	33.1%
MERS			5.6%	16.09%		

General Public Comment

None

Announcements

None

Adjournment

The meeting was unanimously adjourned at 8:35 a.m.

APPROVED:



ROBERT VALENTINE,
 SECRETARY

TODD CHOUINARD
 BOARD CHAIRMAN