

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
FEBRUARY 25, 2014**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, February 25, 2014 at 8:00 a.m. in Room 102 of City Hall, 410 Ludington, Escanaba, MI.

Call to Order

Secretary Valentine called the meeting to order at 8:00 a.m.

Roll Call

Board Members Present: Robert Valentine, Blake Cowen, Brad Nault, David Schaaf, Tony LaPlant

Board Members Absent: None

Others Present: Allan Stotz, Plan Auditor

Adjustments to the Agenda - None

Approval/Adjustments to the Agenda - None

Conflict of Interest Declaration – None

Approval of Minutes – January 28, 2014

Board member Cowen moved for approval of the January Minutes. Board member LaPlant supported the motion. There being no further discussion, the motion carried unanimously.

Unfinished Business

New Business

Audit Report Presentation

Allan Stotz, Partner at Anderson Tackman, presented the Plan's audit report for the fiscal year ending on 6/30/2013. Mr. Stotz advised that the plan received a "clean opinion" and that all financial statements are prepared in accordance with generally accepted accounting principals and fairly represent the net position of the Plan. Mr. Stotz further discussed the application of recent GASB pronouncements #67 and #68, which will require a new calculation of the unfunded liability and require the booking of that liability on the City's consolidated financial statement.

Investment Performance

Secretary Valentine presented the following investment statistics for the month of January 2014:

RETIREMENT BOARD
 FEBRUARY 25, 2014
 PAGE TWO

	12/31/2013	01/31/2014	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	3,126,303	3,124,607	13.0%
Vanguard Short Term Bond Idx	3,164,355	3,181,733	13.3%
Eaton Vance Bonds	2,394,700	2,406,946	10.0%
Total Bonds	8,685,359	8,713,286	36.3%
STOCKS			
Vanguard Stock Index	5,859,018	5,656,251	23.6%
Vanguard Sm Cap Gro Idx	2,886,909	2,853,311	11.9%
JP Morgan Mid Val	4,431,960	4,308,289	18.0%
Vanguard REIT Index	1,024,834	1,068,007	4.5%
DFA Int'l Value	1,452,239	1,398,778	5.8%
Total Stocks	15,654,960	15,284,637	63.7%
CASH			
Money Market Accounts	0	0	0.0%
Total	24,340,319	23,997,923	100.00%

TOTAL RETURNS

	Jan-14	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBTSX	-0.1%	-0.1%	-1.0%	-1.5%	1.0%	9.6%	24.8%
Vanguard S.T. Inv Grade Fnd VFSUX	0.5%	0.5%	0.6%	n/a	n/a	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	0.5%	0.5%	1.5%	6.6%	19.3%	25.5%	120.4%
Escanaba Bond Composite	0.3%	0.3%	0.3%	1.3%	6.6%	14.8%	44.9%
Merrill HY Master Index JOA0	0.7%	0.7%	1.7%	6.7%	21.4%	27.8%	122.3%
Merrill Bond Market Index BOA01	1.6%	1.6%	0.5%	-0.3%	2.8%	12.7%	28.5%
STOCKS							
Vanguard S&P 500 Index Fnd VIFSX	-2.6%	-2.6%	2.9%	22.6%	43.2%	49.1%	142.1%
Vanguard Sm Cap gro Idx VISGX	-1.2%	-1.2%	3.6%	28.4%	49.5%	55.8%	215.4%
JP Morgan Mid Value FLMVX	-2.8%	-2.8%	1.9%	22.5%	49.4%	57.3%	171.4%
DFA Int'l Value DFIVX	-3.7%	-3.7%	-1.2%	13.3%	29.6%	10.3%	105.6%
Vanguard Reit Fund VGRSX	4.2%	4.2%	-1.0%	2.9%	n/a	n/a	n/a
Escanaba Equity Composite	-2.0%	-2.0%	2.1%	21.2%	43.0%	46.6%	154.4%
S&P 500 Index	-3.5%	-3.5%	2.0%	21.5%	38.9%	41.7%	120.7%
EAFA Int'l Index	-4.1%	-4.1%	-2.2%	8.9%	23.6%	8.3%	8.3%
MSCI REIT Index	4.2%	4.2%	-0.9%	3.0%	18.1%	n/a	n/a
Russell 1000 : Mid Cap Index	-3.3%	-3.3%	1.7%	19.8%	37.2%	39.8%	122.8%
Russell 2000: Small Cap Index	-2.8%	-2.8%	2.8%	25.4%	42.6%	44.8%	155.0%
Russell 3000: Broad Mkt Index	-3.2%	-3.2%	1.8%	20.2%	37.6%	40.1%	125.1%
OVERALL							
Escanaba Portfolio Composite	-1.2%	-1.2%	1.4%	13.9%	29.2%	35.0%	108.1%
Combined Passive Index	-1.4%	-1.4%	1.3%	12.9%	26.2%	31.1%	92.3%
MERS TOTAL MARKET FUND	-1.2%	-1.2%	1.1%	10.4%			73.9%

**RETIREMENT BOARD
FEBRUARY 25, 2014
PAGE THREE**

Wilshire Universe Date

Secretary Valentine reviewed a Wilshire press release with total return data for plans covered by the Wilshire Universe.

COLA Increases

Secretary Valentine presented the board with annual cost of living increases for January 2014. Board member Schaaf moved for approval of the COLA increases. Board member LaPlant supported the motion. There being no further discussion, the motion carried unanimously.

MAPERS Conference

The board reviewed literature on the spring MAPERS conference to be held in Mount Pleasant May 18th -20th. Secretary Valentine expressed his intent to attend. Board member Nault advised that he will consider attending.

Announcements - None

Adjournment

The meeting was adjourned at 8:38 a.m.

PPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
BOARD CHAIRMAN