

**MINUTES  
PUBLIC SAFETY RETIREMENT BOARD MEETING  
APRIL 28, 2015**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, April 28, 2015 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, Tony LaPlant,

**Board Members Absent:** Brad Nault, David Schaaf

**Others Present:** None

**Approval/Adjustments to Agenda** -- None.

**Conflict of Interest Declaration** – None

**Approval of Minutes**

Board member Schaaf moved for approval of the March 24, 2015 Minutes. Board member LaPlant supported the motion. Minutes were unanimously approved.

**Unfinished Business** – None

**New Business**

**Actuarial Report**

Michael Gano of Gabriel Roeder Smith and Company presented the results of the 6/30/2014 Actuarial Valuation. Mr. Gano discussed the differences associated with funding a closed plan vs the previous methodology when the plan was open. Mr. Gano advised that the Market value of assets was used in lieu of smoothed value, which can result in greater volatility, but a more accurate picture of the plan's overall status. Mr. Gano also advised that our closed plan is evaluated using a 20 closed amortization period versus a 30 year open period under the prior methodology, the result Mr. Gano advised that the plan generated a total return of 17% for the fiscal year ending 6/30/14, which compares favorable against other plans they review. Mr. Gano advised that the plan is "healthy" and that the funding

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level of 84% is ahead of the average for their client plans. Mr. Gano advised that going forward, the City will need to revise certain of its assumptions.

**Disbursements**

The board reviewed the disbursement register for April 2015. Board member Cowen moved for approval of disbursements totaling \$116,476.16. Board member LaPlant supported the motion. The motion carried unanimously.

**Investment Performance**

Secretary Valentine presented the following investment performance report:

City of Escanaba Public Safety Retirement Plan  
Investment Performance Summary  
03/31/2015

	<u>02/28/2015</u>	<u>03/31/2015</u>	
	\$ Value	\$ Value	% Total
<b>BONDS</b>			
Vanguard Total Bond Mkt Idx	3,869,898	3,886,005	14.6%
Vanguard Short Term Bond Idx	3,245,342	3,256,686	12.2%
Eaton Vance Bonds	<u>2,527,145</u>	<u>2,517,410</u>	<u>9.4%</u>
<b>Total Bonds</b>	9,642,385	9,660,101	36.2%
<b>STOCKS</b>			
Vanguard Stock Index	5,827,256	5,734,885	21.5%
Vanguard Sm Cap Gro Idx	3,150,466	3,187,398	11.9%
JP Morgan Mid Val	5,244,626	5,291,330	19.8%
Vanguard REIT Index	1,374,642	1,398,531	5.2%
DFA Int'l Value	<u>1,437,220</u>	<u>1,406,608</u>	<u>5.3%</u>
<b>Total Stocks</b>	17,034,210	17,018,752	63.8%
<b>CASH</b>			
Money Market Accounts	0	0	0.0%
<b>Total</b>	<u>26,676,595</u>	<u>26,678,853</u>	<u>100.00%</u>

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Investments Continued

TOTAL RETURNS

	-----Gross Returns-----						
	Mar-15	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
<b>BONDS</b>							
Vanguard Totl Bond Mkt Fnd VBTLX	0.4%	1.9%	1.9%	5.9%	5.6%	9.6%	24.0%
Vanguard S.T. Inv Grade Fnd VFSUX	0.3%	1.0%	1.0%	2.1%	n/a	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	-0.4%	2.5%	2.5%	2.6%	9.8%	22.5%	47.7%
<b>Escanaba Bond Composite</b>	<b>0.2%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>3.5%</b>	<b>5.3%</b>	<b>11.7%</b>	<b>28.9%</b>
Merrill HY Master Index J0A0	-0.5%	2.5%	2.5%	2.0%	9.7%	23.9%	49.5%
Merrill Bond Market Index BOA01	0.6%	1.9%	1.9%	6.3%	5.8%	10.8%	26.6%
<b>STOCKS</b>							
Vanguard S&P 500 Index Fnd VIAXX	-1.6%	1.1%	1.1%	12.9%	37.5%	56.8%	96.0%
Vanguard Sm Cap gro ldx VISGX	1.2%	6.3%	6.3%	8.7%	35.6%	57.3%	110.6%
JP Morgan Mid Value FLMVX	0.9%	3.7%	3.7%	15.7%	40.7%	71.8%	122.6%
DFA Int'l Value DFIVX	-2.1%	4.1%	4.1%	-4.2%	17.1%	24.9%	25.3%
Vanguard Reit Fund VGSLX	1.7%	4.7%	4.7%	24.1%	29.4%	n/a	n/a
<b>Escanaba Equity Composite</b>	<b>-0.1%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>12.2%</b>	<b>35.6%</b>	<b>57.3%</b>	<b>97.1%</b>
S&P 500 Index	-1.6%	1.0%	1.0%	12.7%	37.4%	53.9%	85.3%
EFAFA Int'l Index	-2.0%	4.2%	4.2%	-3.5%	10.4%	19.0%	16.7%
MSCI REIT Index	1.7%	4.7%	4.7%	24.2%	29.5%	n/a	n/a
Russell 1000 : Mid Cap Index	-1.4%	1.1%	1.1%	10.6%	32.7%	48.5%	79.7%
Russell 2000: Small Cap Index	1.6%	4.0%	4.0%	6.8%	31.7%	50.9%	84.6%
Russell 3000: Broad Mkt Index	-1.2%	1.3%	1.3%	10.3%	32.6%	48.7%	80.1%
<b>OVERALL</b>							
<b>Escanaba Portfolio Composite</b>	<b>0.0%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>9.2%</b>	<b>24.2%</b>	<b>39.7%</b>	<b>70.7%</b>
Combined Passive Index	-0.8%	1.7%	1.7%	9.7%	24.4%	37.3%	64.2%
MERS TOTAL MARKET FUND	0.0%	1.5%	1.5%	5.6%			52.3%

Adjournment

The meeting was adjourned at 8:50 a.m.

APPROVED:



ROBERT VALENTINE,  
 SECRETARY

TONY LAPLANT  
 BOARD CHAIRMAN