

MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
JULY 26, 2016

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, July 26, 2016 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, David Schaaf

Board Members Absent: David Mlostek, Tony LaPlant

Others Present: None

Approval/Adjustments to Agenda

None.

Conflict of Interest Declaration

None

Approval of Minutes

The Board unanimously approved minutes from the June 28, 2016 meeting

Unfinished Business

Secretary Valentine provided follow up on disbursement questions from the June meeting. Mr. Valentine explained that the following were paid and previously approved by the board:

\$3,500 paid to Gabriel Roeder for GASB Valuation
\$1,750 paid to the City for Pension Fund's share of audit
\$5,350

\$8,300 paid to Gabriel Roeder for prior year actuarial services

New Business

Investment Review

The board reviewed investment performance for the month of June. The following performance report was presented by Secretary Valentine:

RETIREMENT BOARD
JULY 26, 2016
PAGE TWO

City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
06/30/2016

	05/31/2016	06/30/2016	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	3,433,512	3,439,117	13.0%
Vanguard Short Term Bond Idx	3,332,525	3,360,499	12.7%
Eaton Vance Bonds	<u>2,550,320</u>	<u>2,563,535</u>	<u>9.7%</u>
Total Bonds	9,316,356	9,363,151	35.5%
STOCKS			
Vanguard Stock Index	5,963,168	5,978,422	22.7%
Vanguard Sm Cap Gro Idx	2,973,169	2,987,020	11.3%
JP Morgan Mid Val	5,264,859	5,308,868	20.1%
Vanguard REIT Index	1,451,806	1,551,912	5.9%
DFA Int'l Value	<u>1,249,015</u>	<u>1,203,160</u>	<u>4.6%</u>
Total Stocks	16,902,016	17,029,382	64.5%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>26,218,372</u>	<u>26,392,533</u>	<u>100.00%</u>

TOTAL RETURNS

BONDS	Jun-16	YTD	Trailing 3 mo	Trailing 1 year	-----Gross Returns-----		
					Trailing 2 year	Trailing 3 year	Trailing 5 year
Vanguard Totl Bond Mkt Fnd VBTXX	1.9%	5.5%	2.4%	6.1%	8.2%	12.9%	20.3%
Vanguard S.T. Inv Grade Fnd VFSUX	0.8%	3.1%	1.3%	3.3%	4.4%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	0.5%	6.6%	3.2%	1.3%	2.5%	13.4%	30.2%
Escanaba Bond Composite	1.2%	4.9%	2.2%	3.8%	5.2%	11.0%	21.2%
Merrill HY Master Index J0A0	1.1%	9.2%	5.8%	1.7%	1.2%	13.0%	31.9%
Merrill Bond Market Index BOA01	2.2%	6.3%	2.7%	6.8%	8.9%	13.7%	22.8%
STOCKS							
Vanguard S&P 500 Index Fnd VIAXX	0.3%	3.8%	2.4%	4.0%	11.8%	39.3%	77.2%
Vanguard Sm Cap gro Idx VISGX	0.5%	2.3%	4.3%	-6.5%	-0.6%	23.5%	49.9%
JP Morgan Mid Value FLMVX	0.8%	6.5%	2.5%	2.4%	10.7%	38.0%	82.7%
DFA Int'l Value DFIVX	-3.7%	-4.9%	-0.9%	-16.5%	-21.2%	0.2%	-5.6%
Vanguard Reit Fund VGSLX	6.9%	13.5%	6.8%	23.9%	28.7%	45.9%	n/a
Escanaba Equity Composite	0.8%	4.5%	2.9%	1.2%	7.3%	32.9%	64.4%
S&P 500 Index	0.3%	5.4%	2.5%	4.0%	11.7%	39.2%	71.1%
EAFA Int'l Index	-3.6%	-6.3%	-2.6%	-12.7%	-19.3%	-1.9%	-5.8%
MSCI REIT Index	6.9%	13.6%	6.8%	24.1%	29.0%	46.2%	n/a
Russell 1000 : Mid Cap Index	0.1%	2.6%	2.0%	0.8%	6.1%	30.4%	58.1%
Russell 2000: Small Cap Index	865.7%	881.8%	901.0%	789.3%	834.8%	1040.9%	1247.8%
Russell 3000: Broad Mkt Index	0.0%	2.5%	2.1%	0.0%	5.3%	29.4%	56.5%
OVERALL							
Escanaba Portfolio CAGR	0.9%	4.7%	2.7%	2.2%	3.3%	7.7%	8.2%
Escanaba Portfolio Composite Gross	0.9%	4.7%	2.7%	2.2%	6.7%	24.9%	48.2%
Combined Passive Index Gross	1.1%	6.1%	2.9%	5.1%	9.6%	28.7%	51.6%
MERS Total Market Fund	0.4%	3.5%	2.6%	0.4%			5.7%

Notes:

1.) Equity policy limitation is 65% of total portfolio

2.) The MERS Total Market Fund invests in a broad selection of diverse investments and securities. Some securities (approximately 25% of the total portfolio) are not able to provide prices on a daily basis or prices are determined on a delayed basis. Due to the characteristics of these investments, the NAVs provided by Northern Trust Company may not reflect the current market value of the Fund.

**RETIREMENT BOARD
JULY 26, 2016
PAGE THREE**

Retirement Application From Officer Todd Zeize

The board reviewed a retirement application, enrollment form, Military DD214 and related documents from Officer, Todd Zeize. Having been satisfied that Officer Zeize meets the plan's service requirements for retirement, taking into consideration Mr. Zeize's intent to purchase three years of military service time, board member Schaaf moved for approval of Officer Zeize's application. The motion was supported by board member Cowen. There being no further discussion, a vote was taken and the motion carried unanimously.

Request From Officer Zeize to Purchase Three Years of Military Service Time

Secretary Valentine advised that Officer Todd Zeize has requested authorization to purchase three years of military service time to be added to his twenty two years of service resulting in 25 years of pensionable service. Secretary Valentine advised that Mr. Zeize qualifies under the terms of the plan, and presented Mr. Zeize's DD214 as evidence of qualifying service. Mr. Valentine further offered his calculations of the cost in an amount of \$9,206.59 which equates to five percent of annualized pay for each year of purchased service. Board member Schaaf moved to authorize the purchase in the amount presented. Board member Cowen supported the motion. There being no further discussion, the motion carried unanimously.

Disbursements

The board reviewed disbursement registers for the month of July. Board member Cowen moved to accept the register as presented. Board member Cowen supported the motion. The motion carried unanimously

Other Business

None

Public Comment

None

Adjournment

The meeting was adjourned at 8:25 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
BOARD CHAIRMAN