

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
MARCH 26, 2013**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, March 26, 2013 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, Tony LaPlant

Board Members Absent: None

Guests Present: Council Liaison Brady Nelson

Approval of Minutes – February 26, 2013

Board member Chouinard moved for approval of the February, 2013 minutes subject to correcting a date typographical error. Board member Cowen supported the motion. There being no further discussion, the motion carried unanimously.

Approval/Adjustments to the Agenda

None

Conflict of Interest Declaration

None

Unfinished Business

None.

New Business

Introduction of New Board Member

Secretary Valentine introduced new board member Tony LaPlant. Secretary Valentine explained that Mr. LaPlant was elected by department command personnel to replace Darin Hunter who stepped down for the board.

April Meeting Date Change

Secretary Valentine asked the board's permission to reschedule the April meeting to the 16th to accommodate the travel schedule of Michael Gano from Gabriel Roeder. No objections were heard from the board.

2013 Spring MAPERS Conference

Secretary Valentine reviewed information concerning the Spring MAPERS Conference to be held in Bellaire, Michigan June 2nd – 4th. Members were instructed to contact Mr. Valentine if they wished to attend the conference.

Authorization For Payment to IRS in the Amount of \$623.43

Secretary Valentine advised that, due to a clerical error, the September 2012 withholding remittance was late. As a result, the IRS imposed a penalty in the amount of \$623.43.

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Mr. Valentine advised that a letter of explanation was sent to the IRS and that forgiveness was requested, however the penalty was due before the request would be considered, therefore it was necessary to pay the penalty now and if the request is granted, an adjustment would be made at a later date. Board member Chouinard moved for approval of the payment. Board member Schaaf supported the motion. The motion carried unanimously.

Authorization to Pay Audit Expenses of \$1,600

Secretary Valentine advised that the City has requested reimbursement of the Pension Fund's share of the annual audit expense, which equates to \$1,600 for the fiscal year ending on 6/30/2012. Mr. Valentine explained that Pension Fund is audited each year at the same time that the City's general books are audited and a separate audit document is prepared for and delivered to the Board. Board member Schaaf moved for approval of the reimbursement. Board member Cowen supported the motion. There being no further discussion, the motion carried unanimously.

Investment Performance

Secretary Valentine presented the following investment performance statistics.

	01/31/2013	02/28/2013	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Bond Index	4,975,243	4,957,658	23.0%
Eaton Vance Bonds	<u>2,258,389</u>	<u>2,269,974</u>	<u>10.5%</u>
Total Bonds	7,233,632	7,227,632	33.5%
STOCKS			
Vanguard Stock Index	5,032,453	5,100,352	23.6%
Vanguard Sm Cap Gro Idx	2,410,751	2,433,443	11.3%
JP Morgan Mid Val	4,485,695	4,578,481	21.2%
Vanguard REIT Index	1,037,884	1,050,747	4.9%
DFA Int'l Value	<u>1,234,291</u>	<u>1,197,341</u>	<u>5.5%</u>
Total Stocks	14,201,074	14,360,364	66.5%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>21,434,706</u>	<u>21,587,996</u>	<u>100.00%</u>

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Investments Cont.

TOTAL RETURNS

BONDS	Feb-13	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year
Vanguard Bonds VBTSX	0.6%	-0.2%	-0.3%	3.1%	11.7%	17.2%
Eaton Vance Bond Fund EVIBX	0.5%	1.7%	3.1%	10.3%	17.0%	36.8%
Escanaba Bond Composite	0.5%	0.4%	0.7%	5.2%	13.4%	22.8%
Merrill HY Master Index JOAO	0.5%	1.8%	3.4%	11.8%	18.8%	39.4%
Merrill BOA01 Index	0.6%	-0.2%	-0.5%	3.9%	13.5%	19.2%
STOCKS						
Vanguard S&P 500 Index Fnd VIFSX	1.3%	6.6%	7.6%	13.5%	19.3%	45.7%
Vanguard Sm Cap gro Idx VISGX	0.9%	7.1%	10.1%	13.1%	15.6%	60.2%
JP Morgan Mid Value FLMVX	2.1%	7.5%	8.3%	20.1%	26.6%	60.2%
DFA Int'l Value DFIVX	-3.0%	1.5%	6.5%	5.5%	-8.6%	15.2%
Vanguard Reit Fund VGRSX	1.2%	5.0%	8.9%	n/a	n/a	n/a
Escanaba Equity Composite	1.1%	6.4%	8.2%	14.6%	17.8%	49.0%
S&P 500 Index	1.4%	6.6%	7.4%	11.3%	14.6%	37.7%
EAFE Int'l Index	-1.2%	4.0%	7.2%	6.4%	-4.6%	11.4%
MSCI REIT Index	1.2%	5.0%	8.9%	n/a	n/a	n/a
Russell 1000 : Mid Cap Index	1.1%	6.5%	7.4%	11.2%	14.2%	38.4%
Russell 2000: Small Cap Index	1.0%	7.3%	10.9%	12.4%	10.6%	45.0%
Russell 3000: Broad Mkt Index	1.1%	6.5%	7.6%	11.3%	13.9%	38.9%
OVERALL						
Escanaba Portfolio Composite	0.9%	4.3%	5.6%	11.3%	16.4%	39.9%
Combined Passive Index	0.9%	4.3%	5.2%	9.5%	14.6%	34.2%
MERS TOTAL MARKET FUND	0.2%	3.0%	3.5%	7.2%	N/A	31.8%

Note: Equity policy limitation is 65% of total portfolio

Announcements

None

Adjournment

The meeting was unanimously adjourned at 9:00 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY

TODD CHOUINARD
BOARD CHAIRMAN