

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
SEPTEMBER 24, 2013**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, September 24, 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

Board Members Absent: Tony LaPlant, David Schaaf

Others Present: None

Approval of Minutes – August 27, 2013

Board member Chouinard moved for approval of the August 27, 2013 minutes. 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

Investment Performance

Secretary Valentine presented the following investment performance calculations through 8/31/13:

	<u>07/31/2013</u>	<u>08/31/2013</u>	
	<u>\$ Value</u>	<u>\$ Value</u>	<u>% Total</u>
BONDS			
Vanguard Bond Index	5,342,045	5,308,536	23.7%
Eaton Vance Bonds	<u>2,307,567</u>	<u>2,292,406</u>	<u>10.2%</u>
Total Bonds	7,649,612	7,600,942	33.9%
STOCKS			
Vanguard Stock Index	5,294,962	5,141,688	22.9%
Vanguard Sm Cap Gro Idx	2,580,606	2,530,448	11.3%
JP Morgan Mid Val	5,062,758	4,900,404	21.8%
Vanguard REIT Index	1,072,720	999,106	4.5%
DFA Int'l Value	<u>1,282,365</u>	<u>1,272,935</u>	<u>5.7%</u>
Total Stocks	15,293,410	14,844,582	66.1%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>22,943,022</u>	<u>22,445,524</u>	<u>100.00%</u>

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BONDS	Aug-13	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
Vanguard Bonds VBTSX	-0.6%	-2.9%	-2.1%	-2.7%	3.0%	7.4%	27.3%
Eaton Vance Bond Fund EVIBX	-0.7%	2.7%	-1.1%	7.1%	20.1%	31.2%	58.1%
Escanaba Bond Composite	-0.6%	-1.2%	-1.8%	0.2%	7.9%	14.2%	36.5%
Merrill HY Master Index J0A0	-0.6%	2.7%	-1.4%	7.4%	21.5%	31.4%	68.9%
Merrill BOA01 Index	-0.6%	-3.3%	-2.3%	-2.8%	3.7%	8.2%	27.5%
STOCKS							
Vanguard S&P 500 Index Fnd VIFSX	-2.9%	16.2%	0.7%	18.7%	40.2%	66.0%	42.1%
Vanguard Sm Cap gro ldx VISGX	-1.9%	20.9%	3.8%	26.4%	44.5%	85.7%	62.8%
JP Morgan Mid Value FLMVX	-3.2%	17.5%	1.5%	23.5%	48.5%	77.4%	65.0%
DFA Int'l Value DFIVX	-0.7%	7.9%	2.3%	20.6%	15.6%	24.5%	7.7%
Vanguard Reit Fund VGRSX	-6.9%	-0.1%	-7.9%	n/a	n/a	n/a	n/a
Escanaba Equity Composite	-2.9%	15.4%	1.0%	20.1%	39.4%	66.3%	66.3%
S&P 500 Index	-2.9%	16.2%	0.7%	17.8%	35.9%	57.9%	57.9%
EAFA Int'l Index	-1.6%	5.8%	-0.3%	15.3%	11.4%	19.1%	19.1%
MSCI REIT Index	-6.9%	-0.1%	-7.9%	0.5%	n/a	n/a	n/a
Russell 1000 : Mid Cap Index	-3.0%	15.1%	0.5%	17.3%	34.8%	57.4%	29.5%
Russell 2000: Small Cap Index	-3.3%	19.0%	2.7%	24.5%	39.1%	67.9%	36.7%
Russell 3000: Broad Mkt Index	-3.0%	15.4%	0.7%	17.9%	35.1%	58.2%	30.0%
OVERALL							
Escanaba Portfolio Composite	-2.2%	9.4%	0.0%	12.8%	27.7%	46.3%	45.0%
Combined Passive Index	-2.2%	8.7%	-0.7%	10.8%	24.7%	40.2%	37.3%
MERS TOTAL MARKET FUND	-1.4%	6.5%	n/a	9.4%	n/a	n/a	24.2%

Secretary Valentine advised the board that September mid-month returns look favorable and that August losses had been more than recovered as of September 16th.

REVIEW REBALANCING TRANSACTION

Secretary Valentine advised the board that the portfolio has been rebalanced per the board's direction at the August 27, 2013 meeting. Secretary Valentine advised the board that \$1million was taken from the JP Morgan Mid Cap Value Fund and transferred to the Vanguard Short Term Investment Grade Bond Fund (VFSUX). Secretary Valentine advised that the sell side of the transaction settled on or about the 18th of September and the buy side settled on or about the 24th. According to Mr. Valentine there was a slight delay because the buy and sell side of the transactions were done via ACH. In addition there was a delay over the weekend because Vanguard did not have the proper funding account set up in their records.

REVIEW OF CENSUS BUREAU REPORT

The board reviewed a report from the U.S. Census Bureau which summarizes data on public pension plans throughout the United States. The report covers the 2012 calendar year and provides relative comparison data for plan funding, asset allocation, benefit levels, participant demographics and other metrics.

Announcements

None

Adjournment

The meeting was unanimously adjourned at 8:45 a.m.

APPROVED:

A handwritten signature in black ink, appearing to read "Robert Valentine", written in a cursive style.

ROBERT VALENTINE,
SECRETARY

TODD CHOUINARD
BOARD CHAIRMAN