

MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
September 25, 2012

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, September 25, 2012 at 8:00 a.m. in Room 102 of City Hall, 410 Ludington, Escanaba, MI.

Board Members Present: Robert Valentine, Blake Cowen, Todd Chouinard, Darin Hunter, David Schaaf

Board Members Absent: None

Guests Present: Council Liaison Brady Nelson

Approval of Minutes – August 28, 2012

Board member Cowen moved for approval of the August 28, 2012 minutes. Board member Hunter supported the motion. There being no further discussion, the motion was approved unanimously.

Approval/Adjustments to the Agenda

None

Conflict of Interest Declaration

None

Unfinished Business

None.

New Business

Investment Performance

Secretary Valentine presented the following summary of plan investment returns through August 2012:

	07/31/2012	08/31/2012	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Bond Index	5,236,551	5,179,338	25.5%
Eaton Vance Bonds	<u>2,121,993</u>	<u>2,141,092</u>	<u>10.6%</u>
Total Bonds	7,358,544	7,320,431	36.1%
STOCKS			
Vanguard Stock Index	4,872,530	4,681,900	23.1%

Vanguard Sm Cap Gro Idx	2,088,914	2,172,579	10.7%
JP Morgan Mid Val	4,642,279	4,053,181	20.0%
Vanguard REIT Index	0	300,000	1.5%
DFA Int'l Value	<u>1,014,388</u>	<u>1,055,749</u>	<u>5.2%</u>
Total Stocks	12,618,111	12,263,409	60.5%

CASH

Money Market Accounts	0	700,000	3.5%
Total	<u>19,976,655</u>	<u>20,283,840</u>	<u>100.00%</u>

	Aug-12	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year
BONDS						
Vanguard Bonds VBTSX	0.0%	3.9%	1.5%	5.8%	10.4%	20.8%
Eaton Vance Bond Fund EVIBX	0.9%	11.2%	4.0%	12.2%	22.5%	45.7%
Escanaba Bond Composite	0.3%	6.0%	2.2%	7.7%	14.0%	27.3%
Merrill HY Master Index J0A0	1.2%	10.4%	5.2%	13.0%	22.3%	48.9%
Merrill BOA01 Index	0.1%	4.6%	1.7%	6.7%	11.4%	22.6%
STOCKS						
Vanguard S&P 500 Index Fnd VIFSX	2.2%	13.6%	7.9%	18.1%	39.8%	46.2%
Vanguard Sm Cap gro Idx VISGX	4.0%	12.4%	7.5%	14.3%	47.0%	61.4%
JP Morgan Mid Value FLMVX	2.4%	14.6%	6.5%	20.2%	43.6%	59.4%
DFA Int'l Value DFIVX	4.1%	4.4%	10.9%	-4.2%	3.2%	0.8%
Vanguard Reit Index VGRSX						
Escanaba Equity Composite	2.7%	13.0%	7.6%	16.1%	38.4%	47.7%
S&P 500 Index	2.0%	11.8%	7.4%	15.4%	34.0%	37.8%
EAFE Int'l Index	2.4%	4.2%	10.5%	-3.4%	3.3%	-1.8%
MSCIREIT Index ^RMZ						
Russell 1000 : Mid Cap Index	2.2%	11.8%	7.0%	14.9%	34.2%	38.8%
Russell 2000: Small Cap Index	3.2%	9.6%	6.6%	11.7%	34.9%	42.0%
Russell 3000: Broad Mkt Index	2.2%	11.6%	7.0%	14.6%	34.2%	39.1%
OVERALL						
Escanaba Portfolio Composite	1.8%	10.5%	5.6%	13.1%	29.6%	40.7%
Combined Passive Index	1.3%	9.8%	5.7%	12.6%	26.6%	35.1%

Recap of Vanguard REIT Purchase Transaction

Secretary Valentine recapped for the board the details of the transactions associated with the addition of the Vanguard REIT fund, which was authorized at the August meeting. Secretary Valentine advised that the Plan purchased shares in the Vanguard REIT Fund valued at \$1 million. The purchase was funded with \$300,000 from the Vanguard S&P 500 Index Fund and \$700,000 from the JP Morgan Mid Cap Value Fund. Secretary Valentine advised that the \$300,000 piece was executed on August 31st and was a "same day" transaction, while the \$700,000 piece required an ACH transfer from JP Morgan after the sale, resulting in funds being out of the market for approximately 3 days.

Secretary Valentine advised that the shares purchased were Signal Class shares and the ticker symbol is VGRSX in the event members desired to track the fund on their own. Secretary Valentine distributed and reviewed a summary of the fund's holding as well as a comparison of fund characteristics against its MSCI US REIT Index benchmark.

MAPERS Conference Recap

Board member Schaaf recapped for the board the highlights of the Fall 2012 MAPERS Conference held September 9-11.

MAPERS Expense Report

The board unanimously approved reimbursement of out of pocket expenses incurred by board member Schaaf in conjunction with his attendance at the Fall MAPERS Conference. The motion was made by board member Hunter and supported by board member Cowen.

General Public Comment

None

Announcements

None

Adjournment

The meeting was unanimously adjourned at 9:05

APPROVED:



ROBERT VALENTINE,
SECRETARY

TODD CHOUINARD
BOARD CHAIRMAN