

MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
January 25, 2011

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, January 25, 2011 at 8:00 a.m. in Room 102 of City Hall, 410 Ludington, Escanaba, MI.

Board Members Present: Robert Valentine, David Schaaf, Blake Cowen, Darren Hunter

Board Members Absent: Todd Chouinard

Others Present: Brady Nelson

Approval of Minutes

Board member Schaaf moved for approval of the November 23, 2010 minutes. Board member Cowen supported the motion. There being no corrections, the board voted unanimously in favor of the motion.

Unfinished Business

None

New Business

Investment Performance

Secretary Valentine presented the following statistics for the month of November.

	<u>11/30/2010</u> \$ Value	<u>12/31/2010</u> \$ Value	% Total
BONDS			
Vanguard Bond Index	4,387,419	4,293,277	22.6%
Eaton Vance Bonds	<u>1,847,231</u>	<u>1,879,402</u>	<u>9.9%</u>
Total Bonds	6,234,650	6,172,678	32.5%
STOCKS			
Vanguard Stock Index	4,720,820	5,036,261	26.5%
Vanguard Sm Cap Gro Idx	1,998,787	2,156,172	11.3%
JP Morgan Mid Val	4,176,371	4,437,032	23.3%
DFA Int'l Value	<u>1,112,301</u>	<u>1,216,509</u>	<u>6.4%</u>
Total Stocks	12,008,279	12,845,974	67.5%
CASH			
Money Market Accounts	0.00	0.00	0.00%
Total	<u>18,242,929</u>	<u>19,018,652</u>	<u>100.00%</u>

Investments Continued

BONDS	Dec-10	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year
Vanguard Bonds VBTSX	-1.1%	6.5%	-1.3%	6.5%	12.9%	18.7%
Eaton Vance Bond Fund EVIBX	1.7%	14.9%	4.1%	14.9%	81.1%	25.8%
Escanaba Bond Composite	-0.3%	8.9%	0.2%	8.9%	25.8%	21.6%
Merrill HY Master Index JOA0	1.7%	15.2%	3.0%	15.2%	80.1%	N/A
Merrill BOA01 Index	-1.4%	6.8%	-2.2%	6.8%	12.0%	17.5%
STOCKS						
Vanguard S&P 500 Index VIFSX	6.7%	14.7%	10.8%	14.7%	45.2%	-9.2%
Vanguard Sm Cap gro Idx VISGX	7.9%	30.7%	17.1%	30.7%	85.4%	11.2%
JP Morgan Mid Value FLMVX	6.2%	23.3%	12.0%	23.3%	56.3%	4.9%
DFA Int'l Value DFIVX	9.4%	10.6%	7.5%	10.6%	54.2%	N/A
Escanaba Equity Composite	7.0%	19.6%	11.9%	19.6%	55.3%	-2.7%
S&P 500 Index	6.5%	12.8%	10.2%	12.8%	39.2%	-12.5%
EFAA Int'l Index	8.0%	4.9%	6.2%	4.9%	34.0%	N/A
Russell 1000 : Mid Cap Index	6.5%	13.9%	10.7%	13.9%	42.9%	-12.9%
Russell 2000: Small Cap Index	7.8%	25.3%	15.9%	25.3%	56.9%	2.3%
Russell 3000: Broad Mkt Index	6.6%	14.8%	11.1%	14.8%	44.0%	-11.7%
OVERALL						
Escanaba Portfolio Composite	4.5%	15.9%	7.8%	15.9%	44.2%	6.0%
Combined Passive Index	4.4%	12.4%	6.3%	12.4%	36.8%	1.7%

Public Fund Survey

The board reviewed and discussed a public fund survey by the National Association of State Retirement Administrators.

O'Dell DROP Disbursement

The board reviewed the DROP plan distribution and pension obligation for retired Chief Allan O'Dell. Documents reviewed included the following:

1. DROP election form which specified a direct rollover in the amount of \$147,000 and lump sum withdrawal of \$86,985.43 (\$69,588.34 after mandatory 20% withholding).
2. A handwritten summary of disbursements showing the following payments:

\$147,000.00 wire transfer to Vanguard for direct rollover per O'Dell's request
 \$69,588.34 wire to Northern United FCU for after tax lump sum distribution
 \$17,397.09 withheld and payable to IRS for tax withholding
 \$233,985.43 total distribution

3. DROP Plan Interest and Vesting Schedule prepared at the time of entry into the plan which shows a final DROP plan balance of \$233,985.33 which was disbursed as per the aforementioned document. The schedule also shows Mr. O'Dell's pension entitlement during each year of participation in the DROP plan with a 2010 benefit of \$4,521.10, which after application of the 1/1/2011 1.5% COLA, results in a 2011 benefit of \$4,588.92 per month.
4. A proration calculation which shows Mr. O'Dell's January 2011 benefit. His last day was 1/7/2011, so he receives a 24 day pension for January 2011 ($24/31 \times \$4,588.92 = \$3,552.71$).

Secretary Valentine advised that Chief O'Dell's pension and drop benefit had been previously approved by the board at or near the time of entry into the plan. He further advised that the information was being presented again to the board for the benefit of new members who may not be familiar with the terms of the DROP plan. Secretary explained that after a prorated January 2011 benefit, Mr. O'Dell reverts to a regular monthly benefit of \$4,588.92.

Board member Cowen moved for approval of Mr. O'Dell's DROP distribution and pension benefit in accordance with the documents that were presented for review. Board member Schaaf supported the motion. There being no further discussion the board voted as follows:

Ayes: all
Nays: none

Audit Expense

Secretary Valentine presented an invoice in the amount of \$1,600 from the City for the plan's annual audit which was performed by Anderson Tackman. Board member Schaaf moved for approval of the invoice. Board member Cowen supported the motion. There being no further discussion the board voted as follows:

Ayes: all
Nays: none

Other Business

None

Public Comment

None

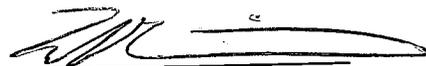
Adjourn

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

APPROVED:



ROBERT VALENTINE,
SECRETARY



TODD CHOUINARD
BOARD CHAIRMAN