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**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
June 26, 2012**

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Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, June 26, 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 – March 27, 2012

Board member Cowen moved for approval of the March 27, 2012 minutes. Board member Chouinard supported the motion. There being no further discussion, the motion was approved unanimously.

Approval of Minutes – April 18, 2012

Board member Schaaf moved for approval of the Minutes of a special joint meeting with the City Council on April 18, 2012. Board member Chouinard 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

McNeil Retirement Application

Secretary Valentine distributed a copy of Jim McNeil's retirement application. Mr. Valentine explained that Mr. McNeil's retirement is non-traditional because he is retiring with 23 years of City service as opposed to the 25 years required under the plan. Mr. Valentine advised that this is possible because of the provisions of Act 88, a copy of which was included in meeting package. Mr. Valentine explained that Escanaba is an Act 88 member community. As such, Mr. McNeil is entitled to use prior service credit with the City of Gladstone to meet service eligibility requirements under Escanaba's plan. Mr. Valentine further advised that the prior Gladstone service is only used to meet the

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eligibility test and is not used in his pension multiplier. Because Mr. McNeil's combined service exceeds 25 years, he is eligible draw a 23 year pension at this time. Mr. Valentine advised that a letter verifying service credit is forthcoming from the City of Gladstone. After further discussion, Board member Hunter moved for approval of McNeil's retirement application granting him 23 years of service credit subject to the provisions of Act 88. Board member Cowen supported the motion. There being no further discussion, the board voted unanimously in favor of the motion.

Secretary Valentine advised that McNeil's benefit calculation would be before the board for approval at the July meeting.

Follow Up Discussion on Actuarial Assumptions

Secretary Valentine asked the board if members felt there was additional follow up needed from the joint meeting with Council, and specifically if there was any interest in pursuing further changes to actuarial assumptions, amortization periods and/or further analysis regarding proposed GASB changes. No motions were made, and sentiment of the board was to visit these issues as needed in the future.

Investment Performance

Secretary Valentine presented the following investment performance summary.

	04/30/2012	05/31/2012	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Bond Index	5,173,109	5,172,256	26.8%
Eaton Vance Bonds	2,078,306	2,058,343	10.7%
Total Bonds	7,251,415	7,230,598	37.5%
STOCKS			
Vanguard Stock Index	4,929,500	4,633,351	24.0%
Vanguard Sm Cap Gro Idx	2,178,876	2,020,543	10.5%
JP Morgan Mid Val	4,654,500	4,462,454	23.1%
DFA Int'l Value	1,085,666	951,590	4.9%
Total Stocks	12,848,542	12,067,938	62.5%
CASH			
Money Market Accounts	0	0	0.0%
Total	20,099,957	19,298,536	100.00%

	May-12	YTD	Trailing 3 mo	Trailing 1 Year	Trailing 2 Year	Trailing 3 Year
BONDS						
Vanguard Bonds VBTSX	1.0%	2.4%	1.5%	7.1%	13.3%	22.6%
Eaton Vance Bond Fund	-1.0%	6.9%	0.0%	3.8%	21.9%	57.9%
EVIBX						
Escanaba Bond Composite	0.4%	3.7%	1.1%	6.2%	15.9%	31.0%
Merrill HY Master Index J0A0	-1.2%	4.9%	-0.2%	3.5%	22.1%	57.6%

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Merrill BOA01 Index	1.3%	2.8%	1.9%	8.2%	14.9%	25.2%
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STOCKS

Vanguard S&P 500 Index VIFSX	-6.0%	5.2%	-3.4%	-0.4%	25.4%	51.4%
Vanguard Sm Cap gro Idx VISGX	-7.3%	4.5%	-6.1%	-8.4%	26.8%	71.7%
JP Morgan Mid Value FLMVX	-4.1%	7.6%	-0.2%	0.7%	29.1%	71.4%
DFA Int'l Value DFIVX	-12.3%	-5.9%	-16.2%	-26.4%	-2.2%	5.8%
Escanaba Equity Composite	-6.1%	5.0%	-3.9%	-3.9%	24.2%	55.8%
S&P 500 Index	-6.3%	4.2%	-4.1%	-2.6%	20.3%	42.5%
EAFA Int'l Index	-12.1%	-5.6%	-15.0%	-23.1%	-2.3%	1.2%
Vanguard Reit Index EFT VNO						
Russell 1000 Mid Cap Index	-6.4%	4.4%	-4.3%	-3.3%	20.3%	44.3%
Russell 2000 Small Cap Index	-6.7%	2.8%	-6.1%	-10.2%	15.1%	51.9%
Russell 3000 Broad Mkt Index	-6.4%	4.3%	-4.4%	-3.9%	19.9%	44.9%

OVERALL

Escanaba Portfolio Composite	-3.7%	4.7%	-2.0%	-0.3%	21.8%	46.8%
Combined Passive Index	-4.0%	3.8%	-2.5%	0.3%	20.0%	39.4%

Reports from March 31st and April 30th 2012 were also reviewed by the board.

PA 314 Reform

The board reviewed information from MAPERS on the status of SB 797 which amends PA 314. The legislation is pending and will be taken up again in July or August.

Gabriel Roeder Invoice

The board reviewed an invoice in the amount of \$7,600 from Gabriel Roeder for services performed in conjunction with the 6/30/2011 actuarial valuation. Board member Cowen moved for approval of the invoice. Board member Hunter supported the motion. There being no further discussion, the board voted in favor of the motion.

2012 Actuarial Services

Secretary Valentine advised that Gabriel Roeder quoted a fee of \$7,900 for preparation of the 6/30/2012 valuation and related services. Board member Schaaf moved to hire Gabriel Roeder for the 2012 valuation. Board member Chouinard supported the motion. The board voted unanimously in favor of the motion.

Cessation of Richard Frederick Benefits

Secretary Valentine advised that retiree, Richard Frederick, passed away on 4/2/2012 leaving no surviving spouse which means that his benefit entitled ceased upon his death. Secretary Valentine advised that he was seeking board approval for the cessation of those benefits. Board member Schaaf moved for approval. Board member Chouinard supported the motion. The board voted unanimously in favor of the motion.

MAPERS Report

Secretary Valentine reported on highlights for the spring MAPERS conference

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MAPERS Conference Expenses

Secretary Valentine presented an expense report totaling \$931.73 for costs relating to the spring MAPERS conference. Expenses included conference registration, mileage, meals and hotel charges. Board member Chouinard moved for approval of the expenses. Board member Hunter supported the motion. The board voted unanimously in favor of the motion.

General Public Comment

None

Announcements

None

Adjournment

The meeting was unanimously adjourned at 8:45

APPROVED:



ROBERT VALENTINE,
SECRETARY

TODD CHOUINARD
BOARD CHAIRMAN

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