

**MINUTES  
PUBLIC SAFETY RETIREMENT BOARD MEETING  
JANUARY 26, 2016**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, January 26, 2016 at 8:00 a.m. in Room 102 of City Hall, 410 Ludington, Escanaba, MI.

**Call to Order**

Secretary Valentine called the meeting to order at 8:00 a.m.

**Roll Call**

**Board Members Present:** Robert Valentine, Blake Cowen, David Schaaf, David Mlostek, Tony LaPlant

**Board Members Absent:** none

**Others Present:** Auditor Alan Stotz

**Approval/Adjustments to Agenda**

None.

**Conflict of Interest Declaration**

None

**Approval of Minutes**

Board member LaPlant moved for approval of the December 22, 2015 Minutes. Board member Schaaf supported the motion. Minutes were unanimously approved.

**Unfinished Business**

None

**New Business**

1. Alan Stotz, Partner at Anderson Tackman and Company, reviewed with the board the results of the Plan's annual audit covering the fiscal year ending 6/30/2015. Among the items discussed was the fact that the Plan financial records received a "clean opinion" for the period in question with no adverse findings.
2. The Board reviewed December 2015 investment performance data. The following information was reviewed with the board:

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**City of Escanaba Public Safety Retirement Plan  
Investment Performance Summary  
12/31/2015**

	11/30/2015	12/31/2015	
	\$ Value	\$ Value	% Total
<b>BONDS</b>			
Vanguard Total Bond Mkt Idx	3,519,403	3,506,386	13.8%
Vanguard Short Term Bond Idx	3,271,495	3,259,774	12.8%
Eaton Vance Bonds	2,449,907	2,404,544	9.4%
<b>Total Bonds</b>	<b>9,240,805</b>	<b>9,170,704</b>	<b>36.0%</b>
<b>STOCKS</b>			
Vanguard Stock Index	5,851,203	5,758,682	22.6%
Vanguard Sm Cap Gro Idx	3,022,802	2,919,760	11.5%
JP Morgan Mid Val	5,089,402	4,983,207	19.6%
Vanguard REIT Index	1,343,031	1,367,355	5.4%
DFA Int'l Value	1,307,118	1,265,465	5.0%
<b>Total Stocks</b>	<b>16,613,556</b>	<b>16,294,469</b>	<b>64.0%</b>
<b>CASH</b>			
Money Market Accounts	0	0	0.0%
<b>Total</b>	<b>25,854,361</b>	<b>25,465,173</b>	<b>100.00%</b>

**TOTAL RETURNS**

	Dec-15	YTD	Trailing 3 mo	Trailing 1 year	-----Gross Returns-----			
					Trailing 2 year	Trailing 3 year	Trailing 5 year	
<b>BONDS</b>								
Vanguard Totl Bond Mkt Fnd VBTLX	-0.4%	0.6%	-0.6%	0.6%	6.5%	4.3%	17.0%	
Vanguard S.T. Inv Grade Fnd VFSUX	-0.4%	1.1%	-0.3%	1.1%	n/a	n/a	n/a	
Eaton Vance H.Y. Bond Fund EVIBX	-1.9%	-2.1%	-1.2%	-2.1%	0.4%	7.7%	27.9%	
<b>Escanaba Bond Composite</b>	<b>-0.8%</b>	<b>0.1%</b>	<b>-0.6%</b>	<b>0.1%</b>	<b>3.5%</b>	<b>4.4%</b>	<b>19.3%</b>	
Merrill HY Master Index J0A0	-2.5%	-4.6%	-2.1%	-4.6%	-2.2%	5.0%	26.7%	
Merrill Bond Market Index BOA01	-0.4%	0.3%	-0.7%	0.3%	6.8%	3.9%	18.6%	
<b>STOCKS</b>								
Vanguard S&P 500 Index Fnd VIAXX	-1.6%	1.5%	7.0%	1.5%	15.4%	52.7%	80.9%	
Vanguard Sm Cap gro Idx VISGX	-3.4%	-2.6%	3.5%	-2.6%	1.1%	39.5%	61.1%	
JP Morgan Mid Value FLMVX	-2.1%	-2.4%	3.6%	-2.4%	12.4%	49.3%	83.9%	
DFA Int'l Value DFIVX	-3.2%	-6.3%	2.8%	-6.3%	-12.9%	7.3%	4.0%	
Vanguard Reit Fund VGSLX	1.8%	2.4%	7.0%	2.4%	33.4%	n/a	n/a	
<b>Escanaba Equity Composite</b>	<b>-1.9%</b>	<b>-1.1%</b>	<b>5.0%</b>	<b>-1.1%</b>	<b>10.3%</b>	<b>43.6%</b>	<b>68.2%</b>	
S&P 500 Index	-3.1%	-0.1%	5.4%	-0.1%	13.5%	50.3%	70.4%	
EAFA Int'l Index	-1.4%	-3.3%	4.4%	-3.3%	-10.4%	7.0%	3.5%	
MSCI REIT Index	1.8%	2.5%	7.1%	2.5%	33.7%	n/a	n/a	
Russell 1000 : Mid Cap Index	-2.0%	-1.1%	5.9%	-1.1%	9.9%	43.3%	62.4%	
Russell 2000: Small Cap Index	-5.2%	-5.7%	3.2%	-5.7%	-2.4%	33.7%	44.9%	
Russell 3000: Broad Mkt Index	-2.2%	-1.5%	5.7%	-1.5%	8.8%	42.5%	60.9%	
<b>OVERALL</b>								
<b>Escanaba Portfolio Composit CAGR</b>	<b>-1.5%</b>	<b>-0.6%</b>	<b>2.9%</b>	<b>-0.6%</b>	<b>3.9%</b>	<b>8.7%</b>	<b>8.4%</b>	
<b>Escanaba Portfolio Composite Gross</b>	<b>-1.5%</b>	<b>-0.6%</b>	<b>2.9%</b>	<b>-0.6%</b>	<b>8.0%</b>	<b>28.6%</b>	<b>49.7%</b>	
<b>Combined Passive Index Gross</b>	<b>-2.0%</b>	<b>-0.2%</b>	<b>3.1%</b>	<b>-0.2%</b>	<b>10.2%</b>	<b>30.4%</b>	<b>49.2%</b>	
<b>MERS Total Market Fund CAGR</b>	<b>-1.4%</b>	<b>-1.5%</b>	<b>1.9%</b>	<b>1.9%</b>			<b>5.0%</b>	

Notes:

1.) Equity policy limitation is 65% of total portfolio

2.) The MERS Total Market Fund invests in a broad selection of diverse investments and securities. Some securities (approximately 25% of the total portfolio) are not able to provide prices on a daily basis or prices are determined on a delayed basis. Due to the characteristics of these investments, the NAVs provided by Northern Trust Company may not reflect the current market value of the Fund.

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3. The board discussed an invoice from Gabriel Roeder in the amount of \$3,500 for the cost of the annual GASB valuation. Secretary advised that the GASB valuation is separate from the funding valuation and is required for purposes of the City financial reporting and liability disclosure. Board member Cowen moved for approval. Board member LaPlant supported the motion. With no further discussion, the motion carried unanimously.
4. The board discussed a proposal from Buck Consultants for an independent actuarial review for a cost of \$500. Board member Schaaf moved to instruct Secretary Valentine to order the review. The motion was supported by board member LaPlant. With no further discussion, the motion carried unanimously.
5. The Board reviewed the plan's disbursement registers for the months of August – December 2015. There were no concerns expressed.

**Other Business**

None

**Public Comment**

None

**Adjournment**

The meeting was adjourned at 8:54 a.m.

APPROVED:



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ROBERT VALENTINE,  
SECRETARY

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TONY LAPLANT  
BOARD CHAIRMAN