

**MINUTES  
PUBLIC SAFETY RETIREMENT BOARD MEETING  
SEPTEMBER 22, 2015**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, September 22, 2015 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, Tony LaPlant, Brad Nault, David Schaaf

**Board Members Absent:** None

**Others Present:** None

**Approval/Adjustments to Agenda**

None.

**Conflict of Interest Declaration**

None

**Approval of Minutes**

Board member Schaaf moved for approval of the July 28, 2015 Minutes. Board member LaPlant supported the motion. Minutes were unanimously approved.

**Unfinished Business** – None

**New Business**

**Cadeau Benefit Cessation**

Secretary Valentine advised that survivor beneficiary Jane Cadeau passed away on 8/30/15 leaving a prorated benefit due in the amount of \$561.71, which represents 30 of 31 days for the month of August. Board member Cowen moved to authorize payment of the final benefit to Ms Cadeau's estate in the aforesaid amount and to terminate future benefits. The motion was supported by board member Schaaf. The motion carried unanimously.

**Investment Performance**

Secretary Valentine presented the following investment performance numbers for the month of August:

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**City of Escanaba Public Safety Retirement Plan  
Investment Performance Summary  
07/31/2015**

	06/30/2015	07/31/2015	
	\$ Value	\$ Value	% Total
<b>BONDS</b>			
Vanguard Total Bond Mkt Idx	3,703,089	3,681,067	13.9%
Vanguard Short Term Bond Idx	3,254,396	3,260,065	12.3%
Eaton Vance Bonds	<u>2,529,619</u>	<u>2,529,200</u>	<u>9.5%</u>
<b>Total Bonds</b>	<b>9,487,104</b>	<b>9,470,333</b>	<b>35.7%</b>
<b>STOCKS</b>			
Vanguard Stock Index	5,751,105	5,871,347	22.1%
Vanguard Sm Cap Gro Idx	3,195,870	3,212,816	12.1%
JP Morgan Mid Val	5,186,932	5,247,373	19.8%
Vanguard REIT Index	1,252,216	1,322,650	5.0%
DFA Int'l Value	<u>1,441,456</u>	<u>1,427,431</u>	<u>5.4%</u>
<b>Total Stocks</b>	<b>16,827,579</b>	<b>17,081,617</b>	<b>64.3%</b>
<b>CASH</b>			
Money Market Accounts	0	0	0.0%
<b>Total</b>	<b><u>26,314,684</u></b>	<b><u>26,551,950</u></b>	<b><u>100.00%</u></b>

**TOTAL RETURNS**

	Jul-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	0.8%	0.8%	-0.7%	3.0%	7.0%	4.8%	17.4%
Vanguard S.T. Inv Grade Fnd VFSUX	0.2%	1.1%	-0.1%	1.4%	n/a	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	0.0%	3.0%	-0.5%	2.4%	9.6%	19.2%	43.4%
<b>Escanaba Bond Composite</b>	<b>0.4%</b>	<b>1.5%</b>	<b>-0.5%</b>	<b>2.1%</b>	<b>6.5%</b>	<b>7.7%</b>	<b>23.4%</b>
Merrill HY Master Index J0A0	-0.6%	1.9%	-1.8%	0.2%	8.4%	18.6%	43.6%
Merrill Bond Market Index BOA01	0.8%	0.6%	-0.6%	2.9%	7.1%	4.8%	19.0%
<b>STOCKS</b>							
Vanguard S&P 500 Index Fnd VIAXX	2.1%	3.5%	1.4%	11.4%	30.2%	62.7%	112.4%
Vanguard Sm Cap gro Idx VISGX	0.5%	7.1%	3.1%	12.7%	24.5%	66.9%	120.5%
JP Morgan Mid Value FLMVX	1.2%	2.8%	1.0%	13.2%	29.4%	69.1%	126.2%
DFA Int'l Value DFIVX	-1.0%	5.7%	-3.8%	-4.4%	11.3%	40.7%	32.7%
Vanguard Reit Fund VGSLX	5.6%	-1.0%	0.5%	9.6%	23.3%	n/a	n/a
<b>Escanaba Equity Composite</b>	<b>1.5%</b>	<b>3.7%</b>	<b>1.1%</b>	<b>10.5%</b>	<b>26.6%</b>	<b>61.0%</b>	<b>106.2%</b>
S&P 500 Index	2.1%	3.4%	1.4%	11.2%	30.0%	60.8%	101.4%
EAFA Int'l Index	2.0%	5.9%	-2.0%	-2.7%	8.9%	30.7%	27.4%
MSCI REIT Index	5.6%	-0.9%	0.5%	9.7%	23.5%	n/a	n/a
Russell 1000 : Mid Cap Index	1.8%	2.5%	0.8%	9.1%	25.2%	54.7%	93.6%
Russell 2000: Small Cap Index	-1.2%	2.8%	1.5%	10.6%	18.5%	57.4%	90.3%
Russell 3000: Broad Mkt Index	1.6%	2.6%	0.9%	9.2%	24.7%	54.9%	93.3%
<b>OVERALL</b>							
<b>Escanaba Portfolio Composit CAGR</b>	<b>1.1%</b>	<b>2.9%</b>	<b>0.5%</b>	<b>7.6%</b>	<b>9.1%</b>	<b>11.8%</b>	<b>11.6%</b>
<b>Escanaba Portfolio Composite Gross</b>	<b>1.1%</b>	<b>2.9%</b>	<b>0.5%</b>	<b>7.6%</b>	<b>19.1%</b>	<b>39.9%</b>	<b>73.1%</b>
<b>Combined Passive Index Gross</b>	<b>1.7%</b>	<b>2.4%</b>	<b>0.3%</b>	<b>7.2%</b>	<b>20.4%</b>	<b>38.2%</b>	<b>68.7%</b>
<b>MERS Total Market Fund CAGR</b>	<b>-0.1%</b>	<b>1.5%</b>	<b>-0.1%</b>	<b>3.8%</b>			<b>9.0%</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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**Review of Pension Universe Data**

Secretary Valentine presented 2<sup>nd</sup> quarter 2015 performance data for the following pension fund universes: Willshire, BNY Mellon and Northern Trust. The data showed that Escanaba's plan lagged the median return of all three universes during the 2<sup>nd</sup> quarter but remained ahead of the universes year to date and across other longer term measures. The board also received a copy of a US Census Bureau report which surveyed public plans across the United States.

**Review of Disbursements**

Review of disbursements was tabled until the October meeting

**Other Business**

None

**Adjournment**

The meeting was adjourned at 8:25 a.m.

APPROVED:



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ROBERT VALENTINE,  
SECRETARY

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TONY LAPLANT  
BOARD CHAIRMAN