

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
MAY 24, 2016**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, May 24, 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, Tony LaPlant

Board Members Absent: David Mlostek

Others Present: None

Approval/Adjustments to Agenda

None.

Conflict of Interest Declaration

None

Approval of Minutes

The Board unanimously approved minutes from the April 26, 2016 meeting

Unfinished Business

None

New Business

Investment Review

The board reviewed investment performance for the month of April. The following performance report was presented by Secretary Valentine

RETIREMENT BOARD
May 24, 2016
PAGE TWO

City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
04/30/2016

	03/31/2016	04/30/2016	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	3,519,326	3,432,722	13.2%
Vanguard Short Term Bond Idx	3,317,276	3,332,290	12.8%
Eaton Vance Bonds	<u>2,483,588</u>	<u>2,537,592</u>	<u>9.8%</u>
Total Bonds	9,320,191	9,302,604	35.8%
STOCKS			
Vanguard Stock Index	5,835,691	5,858,421	22.6%
Vanguard Sm Cap Gro Idx	2,862,862	2,899,631	11.2%
JP Morgan Mid Val	5,178,310	5,207,649	20.1%
Vanguard REIT Index	1,453,152	1,418,151	5.5%
DFA Int'l Value	<u>1,214,122</u>	<u>1,272,805</u>	<u>4.9%</u>
Total Stocks	16,544,136	16,656,657	64.2%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>25,864,327</u>	<u>25,959,261</u>	<u>100.00%</u>

TOTAL RETURNS

	Apr-16	YTD	Trailing 3 mo	Trailing 1 year	-----Gross Returns-----			
					Trailing 2 year	Trailing 3 year	Trailing 5 year	
BONDS								
Vanguard Totl Bond Mkt Fnd VBTLX	0.4%	3.5%	2.0%	2.6%	7.3%	7.0%	19.1%	
Vanguard S.T. Inv Grade Fnd VFSUX	0.5%	2.2%	1.7%	2.1%	4.1%	n/a	n/a	
Eaton Vance H.Y. Bond Fund EVIBX	2.2%	5.5%	6.5%	-0.2%	2.9%	8.7%	28.5%	
Escanaba Bond Composite	0.9%	3.6%	3.1%	1.7%	4.9%	6.0%	20.3%	
Merrill HY Master Index J0A0	4.0%	7.4%	9.1%	-1.2%	1.3%	7.6%	29.0%	
Merrill Bond Market Index BOA01	0.3%	3.8%	2.2%	2.9%	7.7%	6.7%	21.1%	
STOCKS								
Vanguard S&P 500 Index Fnd VIAXX	0.4%	1.7%	7.0%	1.2%	14.5%	37.8%	68.8%	
Vanguard Sm Cap gro Idx VISGX	1.3%	-0.7%	9.2%	-7.0%	2.7%	24.0%	39.9%	
JP Morgan Mid Value FLMVX	0.6%	4.5%	9.8%	0.2%	14.1%	37.4%	76.0%	
DFA Int'l Value DFIVX	4.8%	0.6%	9.2%	-14.2%	-14.7%	1.0%	-5.1%	
Vanguard Reit Fund VGSLX	-2.4%	3.7%	7.3%	7.8%	21.7%	23.0%	n/a	
Escanaba Equity Composite	0.7%	2.2%	8.5%	-1.5%	9.9%	30.5%	56.2%	
S&P 500 Index	0.4%	3.3%	7.1%	1.2%	14.3%	37.7%	62.4%	
EAFE Int'l Index	2.5%	-1.3%	6.4%	-11.7%	-12.6%	-3.4%	-5.8%	
MSCI REIT Index	-2.4%	3.8%	7.3%	7.9%	22.0%	23.2%	n/a	
Russell 1000 : Mid Cap Index	0.4%	1.0%	6.9%	-1.7%	8.9%	29.0%	50.8%	
Russell 2000: Small Cap Index	1.5%	-0.4%	9.2%	-7.3%	0.4%	19.4%	30.7%	
Russell 3000: Broad Mkt Index	0.5%	0.9%	7.1%	-2.2%	8.2%	28.2%	49.1%	
OVERALL								
Escanaba Portfolio Composite	0.8%	2.7%	6.5%	-0.3%	4.1%	6.7%	7.4%	
Escanaba Portfolio Composite Gross	0.8%	2.7%	6.5%	-0.3%	8.3%	21.4%	43.0%	
Combined Passive Index Gross	0.7%	3.8%	6.0%	1.5%	10.8%	24.0%	45.4%	
MERS Total Market Fund	1.4%	2.2%	5.2%	-0.9%			5.3%	

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.

**RETIREMENT BOARD
MAY 24, 2016
PAGE THREE**

Benefit Calculation and Commencement for Murray Pearce

The board reviewed the calculation of Murray Pearce's retirement benefit in the monthly amount of \$5,324.90. Having reviewed the calculation and applicable dates of service, board member LaPlant moved to authorize commencement of Mr. Pearce's monthly benefit of \$5,324.90 effective 5/6/2016. Mr. LaPlant's motion included a prorated May 2016 benefit of \$4,466.05 representing payment for the dates of 5/6/16 – 5/31/16. Board member Cowen supported the motion. Upon a vote, the motion carried unanimously.

David Johnson Benefit Calculation

Secretary Valentine Explained that former employee, David Johnson, separated from service on 9/16/14 with 12 years of credited service, which entitles him to a vested deferred benefit to commence on the date upon which he would otherwise have attained 25 years of service credit. Secretary Valentine presented the board with calculations arriving at a monthly benefit in the amount of \$2,067.60 to commence on 9/18/2027. Secretary Valentine further stipulated that Mr. Johnson must contact the City and formally request commencement of his benefit prior to its distribution. Board member Schaaf moved to authorize the benefit effective 9/18/2027 subject to a formal request from Mr. Johnson. Board member Cowen supported the motion. Upon a vote, the motion carried unanimously.

Cessation of Shirley Merrill's Benefit

Secretary Valentine advised that survivor beneficiary, Shirley Merrill, passed away on 4/25/16 leaving a prorated April benefit of \$1,339.04 payable to her estate. Board member Cowen moved to authorize the final payment of \$1,339.04 to the Merrill estate. Board member LaPlant supported the motion. Upon a vote the motion carried unanimously.

Other Business

None

Public Comment

None

Adjournment

The meeting was adjourned at 8:20 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
BOARD CHAIRMAN