

**MINUTES  
PUBLIC SAFETY RETIREMENT BOARD MEETING  
MARCH 22, 2016**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, March 22, 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

**Board Members Absent:** David Mlostek, Tony LaPlant

**Others Present:** None

**Approval/Adjustments to Agenda**

None.

**Conflict of Interest Declaration**

None

**Approval of Minutes**

The Board unanimously approved minutes from the February 2016 meeting

**Unfinished Business**

None

**New Business**

**Investment Review**

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

**RETIREMENT BOARD  
MARCH 22, 2016  
PAGE TWO**

**City of Escanaba Public Safety Retirement Plan  
Investment Performance Summary**

02/29/2016

	01/31/2016	02/29/2016	
	\$ Value	\$ Value	% Total
<b>BONDS</b>			
Vanguard Total Bond Mkt Idx	3,516,641	3,486,135	14.2%
Vanguard Short Term Bond Idx	3,277,801	3,283,278	13.4%
Eaton Vance Bonds	<u>2,381,649</u>	<u>2,408,090</u>	<u>9.8%</u>
<b>Total Bonds</b>	9,176,091	9,177,503	37.4%
<b>STOCKS</b>			
Vanguard Stock Index	5,472,703	5,465,065	22.3%
Vanguard Sm Cap Gro Idx	2,654,949	2,657,511	10.8%
JP Morgan Mid Val	4,742,628	4,774,901	19.5%
Vanguard REIT Index	1,321,486	1,316,161	5.4%
DFA Int'l Value	<u>1,165,996</u>	<u>1,128,893</u>	<u>4.6%</u>
<b>Total Stocks</b>	15,357,762	15,342,531	62.6%
<b>CASH</b>			
Money Market Accounts	0	0	0.0%
<b>Total</b>	<u>24,533,853</u>	<u>24,520,034</u>	<u>100.00%</u>

**TOTAL RETURNS**

	-----Gross Returns-----						
	Feb-16	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
<b>BONDS</b>							
Vanguard Totl Bond Mkt Fnd VBTLX	0.7%	2.1%	1.7%	1.3%	6.6%	6.6%	19.1%
Vanguard S.T. Inv Grade Fnd VFSUX	0.2%	0.7%	0.4%	1.2%	2.8%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	1.1%	0.1%	-1.7%	-4.7%	-1.8%	6.1%	24.1%
<b>Escanaba Bond Composite</b>	<b>0.6%</b>	<b>1.1%</b>	<b>0.3%</b>	<b>-0.4%</b>	<b>2.9%</b>	<b>5.1%</b>	<b>19.1%</b>
Merrill HY Master Index J0A0	0.5%	-1.1%	-3.6%	-8.4%	-5.9%	2.0%	21.1%
Merrill Bond Market Index BOA01	0.9%	2.4%	2.0%	1.4%	7.0%	6.7%	21.1%
<b>STOCKS</b>							
Vanguard S&P 500 Index Fnd VIAXX	-0.1%	-5.1%	-6.6%	-6.2%	8.5%	36.0%	62.2%
Vanguard Sm Cap gro Idx VISGX	0.1%	-9.0%	-12.1%	-15.6%	-11.4%	18.5%	37.0%
JP Morgan Mid Value FLMVX	0.7%	-4.2%	-6.2%	-9.0%	5.2%	33.0%	68.4%
DFA Int'l Value DFIVX	-3.2%	-10.8%	-13.6%	-21.5%	-23.7%	-5.7%	-13.8%
Vanguard Reit Fund VGSLX	-0.4%	-3.7%	-2.0%	-4.3%	17.4%	25.3%	n/a
<b>Escanaba Equity Composite</b>	<b>-0.1%</b>	<b>-5.8%</b>	<b>-7.7%</b>	<b>-9.9%</b>	<b>1.2%</b>	<b>27.0%</b>	<b>49.7%</b>
S&P 500 Index	-0.1%	-3.6%	-6.6%	-6.2%	8.4%	35.8%	55.6%
EFAA Int'l Index	-2.1%	-9.2%	-10.5%	-17.4%	-19.5%	-6.6%	-10.9%
MSCI REIT Index	-0.4%	-3.7%	-2.0%	-4.1%	17.3%	25.6%	n/a
Russell 1000 : Mid Cap Index	-0.3%	-5.8%	-7.6%	-9.1%	2.4%	26.8%	44.9%
Russell 2000: Small Cap Index	-0.1%	-9.0%	-13.7%	-16.2%	-12.6%	13.5%	25.6%
Russell 3000: Broad Mkt Index	-0.3%	-6.0%	-8.1%	-9.7%	1.2%	25.7%	43.2%
<b>OVERALL</b>							
<b>Escanaba Portfolio Composite</b>	<b>0.2%</b>	<b>-3.3%</b>	<b>-4.8%</b>	<b>-6.5%</b>	<b>1.0%</b>	<b>6.0%</b>	<b>6.8%</b>
<b>Escanaba Portfolio Composite Gross</b>	<b>0.2%</b>	<b>-3.3%</b>	<b>-4.8%</b>	<b>-6.5%</b>	<b>2.0%</b>	<b>19.2%</b>	<b>38.7%</b>
<b>Combined Passive Index Gross</b>	<b>0.1%</b>	<b>-2.0%</b>	<b>-3.9%</b>	<b>-4.6%</b>	<b>5.9%</b>	<b>22.5%</b>	<b>40.5%</b>
<b>MERS Total Market Fund</b>	<b>0.2%</b>	<b>-2.6%</b>	<b>-2.9%</b>	<b>-5.5%</b>			<b>4.9%</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.

**RETIREMENT BOARD  
MARCH 22, 2016  
PAGE THREE**

New Business Continued.

**Comparison to Fund Universes**

Secretary Valentine reviewed with the board investment performance for calendar 2015 and 4<sup>th</sup> quarter 2015 as compared to the Wilshire Universe, BNY Mellon Universe and Northern Trust Universe. In general, the fund slightly underperformed the universes during 2015 and outperformed in the 4<sup>th</sup> quarter. The fund continues to outperform over longer measurement periods.

**Actuarial Services Proposal From Buck Consultants**

The board discussed a proposal from Buck Consultants to perform actuarial services for the plan. Board member Schaaf moved to authorize Secretary Valentine to hire Buck Consultants for actuarial services for the coming year at an all inclusive price of \$17,000 which includes the funding valuation as well as the GASB valuation. The motion was subject to a final confirmation of terms and conditions proposed by the City's current actuary. Board member Cowen supported the motion. The motion carried unanimously.

**Reimbursement of Audit expense**

Secretary Valentine explained that the pension plan is audited each year in conjunction with the City's general audit. The portion of the overall audit cost attributable to the plan was \$1750. Board member Cowen moved to reimburse the City for the cost of the plans audit in the amount given. Board member Schaaf supported the motion. The motion carried unanimously.

**Normal Retirement Age**

The board reviewed information from the VanOverbeke law firm concerning the establishment of a normal retirement age. The new regulations are thought not to apply to Escanaba because the plan has no age requirements for retirement.

**Disbursements**

The board reviewed the disbursement register for the month of February. Board member Schaaf moved for approval with support from board member Cowen. The motion carried unanimously.

**Other Business**

None

**Public Comment**

None

**Adjournment**

The meeting was adjourned at 8:40 a.m.

RETIREMENT BOARD  
MARCH 22, 2016  
PAGE FOUR

APPROVED:

A handwritten signature in cursive script, appearing to read "Robert Valentine", written in black ink.

---

ROBERT VALENTINE,  
SECRETARY

---

TONY LAPLANT  
BOARD CHAIRMAN