

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
FEBRUARY 28, 2017**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, February 28, 2017 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 January 24, 2017 meeting.

Unfinished Business

None

New Business

1. The board reviewed an invoice from Buck Consultants in the amount of \$6,489.33 representing 1/3 of the annual billing and including \$656 for EDRO processing. Board member Cowen moved to authorize payment with support from board member Schaaf. The motion carried unanimously.
2. The board reviewed January 2017 investment performance. The following summary was reviewed by Secretary Valentine:

RETIREMENT BOARD FEBRUARY 28, 2017
PAGE TWO

City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
01/31/2017

	12/31/2016	01/31/2017	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	3,083,459	3,092,791	11.2%
Vanguard Short Term Bond Idx	4,492,927	4,508,768	16.3%
Eaton Vance Bonds	<u>2,710,257</u>	<u>2,737,591</u>	<u>9.9%</u>
Total Bonds	10,286,643	10,339,150	37.3%
STOCKS			
Vanguard Stock Index	5,916,785	6,028,779	21.8%
Vanguard Sm Cap Gro Idx	3,229,490	3,317,496	12.0%
JP Morgan Mid Val	5,015,106	5,088,128	18.4%
Vanguard REIT Index	1,483,583	1,483,075	5.4%
DFA Int'l Value	<u>1,371,903</u>	<u>1,430,839</u>	<u>5.2%</u>
Total Stocks	17,016,867	17,348,317	62.7%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>27,303,510</u>	<u>27,687,467</u>	<u>100.00%</u>

TOTAL RETURNS

BONDS	Jan-17	YTD	Trailing 3 mo	Trailing 1 year	-----Gross Returns-----		
					Trailing 2 year	Trailing 3 year	Trailing 5 year
Vanguard Totl Bond Mkt Fnd VBTLX	0.3%	0.3%	-2.1%	1.4%	1.2%	8.0%	10.7%
Vanguard S.T. Inv Grade Fnd VFSUX	0.4%	0.4%	-0.5%	2.6%	3.5%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	1.0%	1.0%	2.5%	14.9%	10.5%	13.7%	35.7%
Escanaba Bond Composite	0.5%	0.5%	-0.2%	5.5%	4.6%	8.7%	16.6%
Merrill HY Master Index J0A0	1.3%	1.3%	2.9%	20.8%	12.7%	15.4%	40.2%
Merrill Bond Market Index BOA01	0.3%	0.3%	-2.2%	1.7%	0.8%	8.5%	11.6%
STOCKS							
Vanguard S&P 500 Index Fnd VIAXX	1.9%	1.9%	7.8%	20.0%	19.3%	36.3%	93.5%
Vanguard Sm Cap gro Idx VISGX	2.7%	2.7%	10.1%	25.0%	11.6%	16.3%	73.9%
JP Morgan Mid Value FLMVX	1.5%	1.5%	8.3%	22.1%	15.8%	34.4%	100.8%
DFA Int'l Value DFIVX	4.3%	4.3%	8.3%	22.7%	6.7%	2.3%	32.5%
Vanguard Reit Fund VGSLX	0.0%	0.0%	2.9%	12.2%	4.0%	38.9%	n/a
Escanaba Equity Composite	1.9%	1.9%	8.0%	21.0%	14.5%	28.8%	83.6%
S&P 500 Index	1.9%	1.9%	7.8%	20.0%	19.2%	36.2%	89.2%
EAFE Int'l Index	2.9%	2.9%	4.0%	8.9%	-2.8%	-5.7%	16.5%
MSCI REIT Index	0.0%	0.0%	2.9%	12.3%	4.3%	39.2%	n/a
Russell 1000 : Mid Cap Index	1.9%	1.9%	7.5%	18.3%	13.8%	27.0%	74.2%
Russell 2000: Small Cap Index	0.3%	0.3%	14.3%	31.5%	16.9%	20.4%	71.8%
Russell 3000: Broad Mkt Index	1.8%	1.8%	8.0%	19.2%	14.0%	26.4%	74.0%
OVERALL							
Escanaba Portfolio CAGR	1.4%	1.4%	4.8%	14.9%	5.2%	6.6%	9.4%
Escanaba Portfolio Composite Gross	1.4%	1.4%	4.8%	14.9%	10.8%	21.2%	56.5%
Combined Passive Index Gross	1.4%	1.4%	4.0%	14.0%	12.0%	24.7%	57.3%
MERS Total Market Fund	1.0%	1.0%	4.1%	14.4%			7.3%

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.

**PUBLIC SAFETY RETIREMENT BOARD FEBRYARY 28, 2017
PAGE THREE**

Investment Performance Cont.

Secretary Valentine reviewed year end 2016 performance compared to the Wilshire Universe, BNY Mellon Universe and Northern Trust Universe. Escanaba's net returns were above the median gross returns for each of the indexes and for the public funds sub-indexes. The following summary was reviewed:

	Dec-16	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year	Trailing 7 year	Trailing 10 year
Escanaba Portfolio CAGR	1.2%	9.4%	1.4%	9.4%	4.2%	5.7%	9.9%	9.6%	6.3%
Wilshire Median Plan Ret			0.6%	7.2%		4.3%	8.1%		5.3%
Wilshire Large Public Funds				7.9%					
Wilshire Small Public Plans				6.9%					
Northern Trust ERISA Plans			-0.8%	8.2%		5.3%	8.5%		
Northern Trust Public Funds			0.8%	7.9%		4.7%	8.9%		
Northern Trust Found & End			1.0%	6.6%		4.1%	8.0%		
BNY Mellon Public Plans			0.7%	7.8%			8.5%		5.2%
BNY Mellon Endowments			1.1%	6.7%			8.3%		5.3%
BNT Mellon Corp Plans			-0.8%	8.2%			8.0%		5.3%

Adjournment

The meeting was adjourned at 8:30 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
CHAIRMAN