

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
MAY 23, 2017**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, May 23, 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 Mlostek, Tony LaPlant

Board Members Absent: David Schaaf

Others Present: None

Approval/Adjustments to Agenda

None.

Conflict of Interest Declaration

None

Approval and/or Corrections to April Minutes

The Board unanimously approved minutes from the April 25, 2017 meeting.

Unfinished Business

None

New Business

1. The board reviewed a corrected March and regular April performance report. Secretary Valentine presented the following April summary:

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City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
04/30/2017

	03/31/2017	04/30/2017	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	2,920,529	2,943,030	10.4%
Vanguard Short Term Bond Idx	4,530,195	4,547,138	16.1%
Eaton Vance Bonds	<u>2,767,073</u>	<u>2,799,271</u>	<u>9.9%</u>
Total Bonds	10,217,797	10,289,439	36.4%
STOCKS			
Vanguard Stock Index	6,274,917	6,339,088	22.4%
Vanguard Sm Cap Gro Idx	3,423,175	3,469,866	12.3%
JP Morgan Mid Val	5,213,506	5,232,795	18.5%
Vanguard REIT Index	1,497,683	1,500,165	5.3%
DFA Int'l Value	<u>1,453,207</u>	<u>1,473,732</u>	<u>5.2%</u>
Total Stocks	17,862,488	18,015,646	63.6%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>28,080,285</u>	<u>28,305,085</u>	<u>100.00%</u>

TOTAL RETURNS

	Apr-17	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBTX	0.8%	1.7%	1.4%	0.8%	3.4%	8.2%	11.7%
Vanguard S.T. Inv Grade Fnd VFSUX	0.4%	1.2%	0.9%	1.8%	3.9%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	1.2%	3.3%	2.3%	10.3%	10.1%	13.5%	34.7%
Escanaba Bond Composite	0.7%	1.9%	1.4%	3.7%	5.4%	8.8%	16.7%
Merrill HY Master Index J0A0	1.1%	3.8%	2.5%	13.5%	12.1%	14.9%	39.2%
Merrill Bond Market Index BOA01	0.8%	1.8%	1.5%	1.0%	3.8%	8.7%	12.7%
STOCKS							
Vanguard S&P 500 Index Fnd VIAXX	1.0%	7.1%	5.1%	17.9%	19.3%	34.9%	89.8%
Vanguard Sm Cap gro Idx VISGX	1.4%	7.4%	4.6%	19.7%	11.3%	22.9%	72.8%
JP Morgan Mid Value FLMVX	0.4%	4.3%	2.8%	14.4%	14.6%	30.4%	91.4%
DFA Int'l Value DFIVX	1.4%	7.4%	3.0%	15.8%	-0.7%	-1.3%	35.7%
Vanguard Reit Fund VGSLX	0.2%	1.1%	1.2%	5.8%	14.0%	28.8%	n/a
Escanaba Equity Composite	0.9%	5.9%	3.8%	15.9%	14.2%	27.4%	78.9%
S&P 500 Index	1.0%	7.2%	5.2%	17.9%	19.3%	34.8%	86.8%
EAFE Int'l Index	2.3%	8.9%	5.8%	8.3%	-4.4%	-5.3%	20.9%
MSCI REIT Index	0.2%	1.2%	1.2%	5.9%	14.3%	29.2%	n/a
Russell 1000 : Mid Cap Index	0.9%	6.5%	4.5%	15.6%	13.6%	25.9%	71.0%
Russell 2000: Small Cap Index	1.0%	3.2%	2.8%	23.8%	14.8%	24.3%	71.4%
Russell 3000: Broad Mkt Index	1.0%	6.2%	4.4%	16.2%	13.7%	25.8%	70.9%
OVERALL							
Escanaba Portfolio CAGR	0.8%	4.4%	2.9%	11.1%	5.2%	6.4%	9.0%
Escanaba Portfolio Composite Gross	0.8%	4.4%	2.9%	11.1%	10.8%	20.3%	53.9%
Combined Passive Index Gross	1.0%	5.1%	3.7%	11.5%	13.1%	23.5%	56.1%
MERS Total Market Fund	0.9%	4.1%	10.4%	12.7%			

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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2. Secretary Valentine reviewed with the board, first quarter 2017 performance data for the Wilshire Universe and Northern Trust Universe. Comparisons to Escanaba's returns indicate that we lagged the median return of both Universes by approximately 50 basis points. The data also revealed that Escanaba's returns exceed returns of both universes by all other periods measured
3. The board reviewed the April disbursement register. Board member Cowen moved to approve April Disbursements with support from board member Mlostek. The motion carried unanimously.
4. Secretary Valentine advised that pensioner, John Robitaille, passed away on April 22nd, 2017 and had been pre-deceased by his wife leaving no survivor beneficiary. Therefore, Mr. Valentine advised that benefits should be terminated as of 4/22/17. Board member LaPlant moved to terminate benefits effective 4/22/2017 with the final, prorated, April benefit of \$729.32 payable to Mr. Robitaille's estate. The motion was supported by board member Mlostek and carried unanimously upon a vote of the board.

Adjournment

Following a motion by board member LaPlant, the meeting was adjourned at 8:25 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
CHAIRMAN