

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
AUGUST 22, 2017**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, August 22, 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 and/or Corrections to June Minutes

The Board unanimously approved minutes from the June 27, 2017 meeting.

Unfinished Business

None

New Business

1. The board reviewed the June and July 2017 performance reports. Secretary Valentine presented the following summary:

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City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
07/31/2017

	06/30/2017	07/31/2017	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	2,783,164	2,794,206	9.6%
Vanguard Short Term Bond Idx	4,563,636	4,580,505	15.8%
Eaton Vance Bonds	<u>2,820,002</u>	<u>2,847,338</u>	<u>9.8%</u>
Total Bonds	10,166,803	10,222,049	35.3%
STOCKS			
Vanguard Stock Index	6,467,793	6,600,473	22.8%
Vanguard Sm Cap Gro Idx	3,551,845	3,596,860	12.4%
JP Morgan Mid Val	5,331,995	5,427,061	18.7%
Vanguard REIT Index	1,521,987	1,541,221	5.3%
DFA Int'l Value	<u>1,515,047</u>	<u>1,585,883</u>	<u>5.5%</u>
Total Stocks	18,388,667	18,751,499	64.7%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>28,555,470</u>	<u>28,973,548</u>	<u>100.00%</u>

TOTAL RETURNS

	Jul-17	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBT LX	0.4%	2.8%	1.1%	-0.7%	5.2%	8.4%	10.2%
Vanguard S.T. Inv Grade Fnd VFSUX	0.4%	1.9%	0.7%	1.2%	4.8%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	1.0%	5.1%	1.7%	9.0%	12.6%	15.3%	34.2%
Escanaba Bond Composite	0.5%	3.0%	1.1%	2.6%	7.1%	9.4%	15.3%
Merrill HY Master Index J0A0	1.2%	6.1%	2.2%	11.3%	16.7%	16.9%	38.4%
Merrill Bond Market Index BOA01	0.4%	3.1%	1.3%	-0.9%	5.8%	8.9%	10.9%
STOCKS							
Vanguard S&P 500 Index Fnd VIAXX	2.1%	11.6%	4.1%	16.0%	22.4%	36.4%	99.2%
Vanguard Sm Cap gro Idx VISGX	1.3%	11.4%	3.7%	14.1%	12.0%	26.2%	86.9%
JP Morgan Mid Value FLMVX	1.8%	8.2%	3.7%	13.5%	17.7%	33.3%	99.0%
DFA Int'l Value DFIVX	4.7%	15.6%	7.6%	26.1%	11.1%	6.2%	56.3%
Vanguard Reit Fund VGSLX	1.3%	3.9%	2.7%	-4.7%	16.5%	27.7%	n/a
Escanaba Equity Composite	2.0%	10.2%	4.1%	13.7%	17.6%	30.0%	89.4%
S&P 500 Index	2.1%	11.6%	4.1%	16.0%	22.6%	36.3%	97.1%
EAFE Int'l Index	2.9%	15.0%	5.6%	14.7%	3.0%	0.2%	34.6%
MSCI REIT Index	1.3%	4.0%	2.8%	-4.6%	16.8%	28.1%	n/a
Russell 1000 : Mid Cap Index	1.9%	10.2%	3.5%	13.6%	16.6%	27.2%	80.4%
Russell 2000: Small Cap Index	0.7%	5.0%	1.8%	16.8%	15.1%	27.2%	81.1%
Russell 3000: Broad Mkt Index	1.8%	9.8%	3.4%	13.9%	16.5%	27.2%	80.4%
OVERALL							
Escanaba Portfolio CAGR	1.5%	7.5%	3.0%	9.3%	6.5%	6.9%	9.7%
Escanaba Portfolio Composite Gross	1.5%	7.5%	3.0%	9.3%	13.5%	22.1%	58.8%
Combined Passive Index Gross	1.5%	8.5%	3.2%	9.4%	16.4%	24.8%	60.8%
MERS Total Market Fund	1.0%	6.7%	2.4%	10.7%			7.9%

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.

2. Return Comparisons

The board reviewed the 6/30/17 returns for the Wilshire Universe, the Northern Trust Universe and the BNY Mellon Universe. Escanaba's 2nd quarter performance lagged behind the median returns of the three universes. Secretary Valentine advised that relative lack of international exposure was the catalyst for underperforming during the quarter. It was noted that Escanaba's trailing long term performance remains well above the median of all three universes.

3. Fall MAPERS Conference

The board reviewed the agenda for the Fall MAPERS Conference. None of the board members indicated an interest in attending.

Adjournment

Following a motion by board member LaPlant, the meeting was adjourned at 8:35 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
CHAIRMAN