

**MINUTES  
PUBLIC SAFETY RETIREMENT BOARD MEETING  
SEPTEMBER 27, 2016**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, September 27, 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:** Tony LaPlant, 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 September 27, 2016 meeting

**Unfinished Business**

**New Business**

**Invoice from Buck Consultants**

The board reviewed an invoice from Buck Consultants in the amount of \$5,666.67 for services performed in conjunction with the 6/30/2015 valuation. Board member Cowen moved for approval. The motion was supported by board member Schaaf. The motion carried unanimously.

**City Invoices for Audit and Check Printing**

The board reviewed invoices from the City for Plan audit expenses in the amount of \$1,550.00 and check printing costs of \$155.00. Secretary Valentine explained that invoices are for reimbursement of out of pocket costs expended by the City on behalf of the plan.

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Board member Schaaf moved for approval of both invoices. Board member Cowen supported the motion. The motion carried unanimously.

**MAPERS Recap**

Board member Schaaf provided a recap of the MAPERS conference he attended. Mr. Schaaf touched on certain recommended policies as well as legislation which has been introduced intended to impact operation of public plans.

**Disbursements**

The board reviewed disbursement registers for the months of August and September. Board member Cowen moved for acceptance of the registers. Board member Schaaf supported the motion. The motion carried unanimously.

**Investment Performance**

Secretary Valentine presented the following investment summary for the month of August 2016:

**City of Escanaba Public Safety Retirement Plan  
 Investment Performance Summary  
 08/31/2016**

	<b>07/31/2016</b>	<b>08/31/2016</b>	
	<b>\$ Value</b>	<b>\$ Value</b>	<b>% Total</b>
<b>BONDS</b>			
Vanguard Total Bond Mkt Idx	3,401,221	3,345,733	12.4%
Vanguard Short Term Bond Idx	3,375,794	3,375,324	12.5%
Eaton Vance Bonds	<u>2,613,323</u>	<u>2,654,516</u>	<u>9.8%</u>
Total Bonds	9,390,338	9,375,573	34.6%
<b>STOCKS</b>			
Vanguard Stock Index	6,198,530	6,207,173	22.9%
Vanguard Sm Cap Gro Idx	3,153,346	3,168,779	11.7%
JP Morgan Mid Val	5,443,827	5,486,368	20.3%
Vanguard REIT Index	1,616,987	1,557,592	5.8%
DFA Int'l Value	<u>1,257,298</u>	<u>1,290,427</u>	<u>4.8%</u>
Total Stocks	17,669,988	17,710,340	65.4%
<b>CASH</b>			
Money Market Accounts	0	0	0.0%
<b>Total</b>	<u>27,060,326</u>	<u>27,085,913</u>	<u>100.00%</u>

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**Investment Performance Cont.**

**TOTAL RETURNS**

	Aug-16	YTD	Trailing 3 mo	Trailing 1 year	-----Gross Returns-----		
					Trailing 2 year	Trailing 3 year	Trailing 5 year
<b>BONDS</b>							
Vanguard Totl Bond Mkt Fnd VBTXX	-0.2%	6.0%	2.4%	6.2%	7.7%	13.9%	17.3%
Vanguard S.T. Inv Grade Fnd VFSUX	0.0%	3.5%	1.3%	3.7%	4.7%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	1.6%	10.4%	4.1%	6.4%	5.8%	15.8%	39.1%
<b>Escanaba Bond Composite</b>	<b>0.4%</b>	<b>6.3%</b>	<b>2.5%</b>	<b>5.4%</b>	<b>6.1%</b>	<b>12.4%</b>	<b>21.2%</b>
Merrill HY Master Index J0A0	2.2%	14.5%	5.9%	9.2%	5.9%	17.0%	42.1%
Merrill Bond Market Index BOA01	-0.2%	6.9%	2.8%	6.8%	8.3%	14.9%	19.1%
<b>STOCKS</b>							
Vanguard S&P 500 Index Fnd VIAXX	0.1%	7.8%	4.1%	12.5%	13.2%	41.7%	98.6%
Vanguard Sm Cap gro ldx VISGX	0.5%	8.5%	6.6%	6.1%	6.1%	25.2%	80.9%
JP Morgan Mid Value FLMVX	0.8%	10.1%	4.2%	10.3%	13.0%	39.8%	107.5%
DFA Int'l Value DFIVX	2.6%	2.0%	3.3%	-2.3%	-13.6%	1.4%	17.2%
Vanguard Reit Fund VGSLX	-3.7%	13.9%	7.3%	25.6%	25.4%	55.9%	n/a
<b>Escanaba Equity Composite</b>	<b>0.2%</b>	<b>8.7%</b>	<b>4.8%</b>	<b>10.4%</b>	<b>10.3%</b>	<b>35.3%</b>	<b>88.6%</b>
S&P 500 Index	0.1%	9.5%	4.1%	12.6%	13.1%	41.6%	92.5%
EAFE Int'l Index	-0.2%	-1.8%	1.1%	-3.0%	-12.4%	-0.7%	10.6%
MSCI REIT Index	-1.7%	16.3%	9.5%	28.4%	29.9%	59.5%	n/a
Russell 1000 : Mid Cap Index	-0.1%	6.3%	3.6%	9.3%	7.6%	32.3%	78.3%
Russell 2000: Small Cap Index	1.6%	9.2%	7.4%	6.9%	5.6%	22.7%	70.6%
Russell 3000: Broad Mkt Index	0.0%	6.5%	3.9%	9.1%	7.5%	31.5%	77.6%
<b>OVERALL</b>							
<b>Escanaba Portfolio CAGR</b>	<b>0.3%</b>	<b>7.9%</b>	<b>4.0%</b>	<b>8.6%</b>	<b>4.4%</b>	<b>8.2%</b>	<b>10.1%</b>
<b>Escanaba Portfolio Composite Gross</b>	<b>0.3%</b>	<b>7.9%</b>	<b>4.0%</b>	<b>8.6%</b>	<b>8.9%</b>	<b>26.8%</b>	<b>61.9%</b>
<b>Combined Passive Index Gross</b>	<b>-0.1%</b>	<b>9.1%</b>	<b>3.9%</b>	<b>10.9%</b>	<b>11.0%</b>	<b>30.9%</b>	<b>63.2%</b>
<b>MERS Total Market Fund</b>	<b>1.3%</b>	<b>7.5%</b>	<b>2.6%</b>	<b>7.3%</b>			<b>7.3%</b>

**Plan Universe Comparisons**

Secretary Valentine reviewed with the board, press releases from the three major pension universe data tracking services covering 2<sup>nd</sup> quarter 2016 performance; those services being Wilshire, Northern Trust and BNY Mellon. The data showed Escanaba's return to be well above the median for other public plans. The data also indicated that Escanaba has placed well above the public plan median for trailing 1 year, 3 year and 5 year periods. Asset allocation was also reviewed as part of the comparison.

**Other Business**

None

**Public Comment**

None

**Adjournment**

The meeting was adjourned at 8:35 a.m.

APPROVED:



ROBERT VALENTINE,  
SECRETARY

TONY LAPLANT  
BOARD CHAIRMAN