

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
OCTOBER 24, 2017**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, October 24, 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 September 26, 2017 meeting.

Unfinished Business

None

New Business

1. The board reviewed the September 2017 performance report. Secretary Valentine noted that equities exceeded the policy allocation threshold by .2% and recommended rebalancing by taking in even proportions from the two Vanguard stock funds and from the JP Morgan fund. It was board consensus to rebalance in accordance with the parameters discussed. Secretary Valentine presented the following summary:

PUBLIC SAFETY RETIREMENT BOARD
OCTOBER 24, 2017
PAGE TWO

City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
09/30/2017

	08/31/2017	09/30/2017	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	2,768,014	2,753,324	9.4%
Vanguard Short Term Bond Idx	4,597,011	4,590,588	15.7%
Eaton Vance Bonds	<u>2,845,785</u>	<u>2,868,870</u>	<u>9.8%</u>
Total Bonds	10,210,810	10,212,782	34.8%
STOCKS			
Vanguard Stock Index	6,620,419	6,757,246	23.1%
Vanguard Sm Cap Gro Idx	3,583,875	3,719,525	12.7%
JP Morgan Mid Val	5,323,728	5,446,350	18.6%
Vanguard REIT Index	1,537,478	1,535,549	5.2%
DFA Int'l Value	<u>1,584,217</u>	<u>1,640,739</u>	<u>5.6%</u>
Total Stocks	18,649,717	19,099,409	65.2%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>28,860,527</u>	<u>29,312,191</u>	<u>100.00%</u>

TOTAL RETURNS

	Sep-17	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBTLX	-0.5%	3.1%	0.7%	-0.2%	5.1%	8.3%	10.4%
Vanguard S.T. Inv Grade Fnd VFSUX	-0.1%	2.2%	0.6%	1.3%	4.7%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	0.8%	5.9%	1.7%	7.4%	17.9%	16.4%	32.6%
Escanaba Bond Composite	0.0%	3.4%	0.9%	2.4%	8.4%	9.7%	15.0%
Merrill HY Master Index J0A0	0.9%	7.1%	2.0%	9.0%	23.0%	18.6%	36.1%
Merrill Bond Market Index BOA01	-0.6%	3.5%	0.8%	-0.1%	5.7%	8.9%	11.2%
STOCKS							
Vanguard S&P 500 Index Fnd VIAXX	2.1%	14.2%	4.5%	18.6%	36.8%	36.1%	94.5%
Vanguard Sm Cap gro Idx VISGX	3.8%	15.2%	4.7%	16.8%	31.8%	31.0%	81.1%
JP Morgan Mid Value FLMVX	2.3%	8.6%	2.1%	13.4%	28.9%	31.5%	90.9%
DFA Int'l Value DFIVX	3.6%	19.6%	8.3%	25.7%	33.3%	14.9%	50.1%
Vanguard Reit Fund VGSLX	-0.1%	3.5%	0.9%	0.4%	20.2%	31.5%	n/a
Escanaba Equity Composite	2.4%	12.2%	3.9%	15.6%	31.9%	31.4%	83.7%
S&P 500 Index	2.7%	14.2%	4.5%	18.6%	36.9%	36.1%	93.2%
EAFE Int'l Index	2.2%	17.2%	4.8%	16.0%	20.0%	6.9%	30.7%
MSCI REIT Index	-0.1%	3.6%	0.9%	0.5%	20.5%	31.9%	n/a
Russell 1000 : Mid Cap Index	2.0%	12.5%	4.0%	16.2%	30.7%	27.4%	76.0%
Russell 2000: Small Cap Index	6.1%	9.9%	5.3%	19.1%	35.4%	35.3%	78.0%
Russell 3000: Broad Mkt Index	2.3%	12.3%	4.1%	16.4%	31.1%	28.0%	76.1%
OVERALL							
Escanaba Portfolio CAGR	1.6%	9.0%	2.8%	10.5%	10.7%	7.2%	9.3%
Escanaba Portfolio Composite Gross	1.6%	9.0%	2.8%	10.5%	22.6%	23.1%	55.7%
Combined Passive Index Gross	1.5%	10.2%	3.2%	11.4%	25.1%	25.5%	58.8%
MERS Total Market Fund	1.9%	9.1%	3.3%	11.2%			7.7%

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.

**PUBLIC SAFETY RETIREMENT BOARD
OCTOBER 24, 2017
PAGE THREE**

2. Disbursements

The board reviewed disbursement registers for October 2017. Board member Schaaf moved for approval of the registers with support from board member Cowen. Upon a vote, the motion carried unanimously.

3. Conduent Invoice

The board reviewed an invoice in the amount of \$16,332.67 for actuarial services. Board member Cowen moved to authorize payment of the invoice. Board member Schaaf supported the motion. The motion carried unanimously.

4. The board reviewed the result of the MAPERS consulting fee survey

5. The board reviewed the obituary of pensioner George Deloughery and having been satisfied that no further benefits are due following his death on 10/7/2017, board member Cowen moved to terminate benefits on that date and further moved for a final payment of \$178.55 payable to the estate of Mr. Deloughery for October 1st through 7th. The motion was supported by board member Schaaf and carried unanimously

Adjournment

Following a motion by board member Schaaf, the meeting was adjourned at 8:45 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
CHAIRMAN