

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

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

Board Members Absent: David Schaaf

Others Present: None

Approval/Adjustments to Agenda

None.

Conflict of Interest Declaration

None

Approval of Minutes

The Board unanimously approved minutes from the October 25th, 2016 meeting (no meeting was held in November).

Unfinished Business

None

New Business

1. The board reviewed an invoice from Buck Consultants in the amount of \$5,666.66 representing the third of three installments toward the 6/30/15 valuation and related services. Board member LaPlant moved for approval with support from board member Cowen. The motion carried unanimously.
2. Secretary Valentine presented the board with the following Investment Performance Summary through 11/30/2016

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**City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
11/30/2016**

	10/31/2016	11/30/2016	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	3,316,367	3,110,700	11.5%
Vanguard Short Term Bond Idx	3,878,986	4,489,805	16.6%
Eaton Vance Bonds	<u>2,670,435</u>	<u>2,664,557</u>	<u>9.9%</u>
Total Bonds	9,865,788	10,265,062	38.0%
STOCKS			
Vanguard Stock Index	5,594,829	5,802,055	21.5%
Vanguard Sm Cap Gro Idx	3,012,813	3,209,544	11.9%
JP Morgan Mid Val	4,697,258	4,988,341	18.5%
Vanguard REIT Index	1,441,904	1,417,161	5.2%
DFA Int'l Value	<u>1,321,690</u>	<u>1,328,177</u>	<u>4.9%</u>
Total Stocks	16,068,494	16,745,278	62.0%
CASH			
Money Market Accounts	650,000	0	0.0%
Total	<u>26,584,282</u>	<u>27,010,340</u>	<u>100.00%</u>

TOTAL RETURNS

	Nov-16	YTD	Trailing 3 mo	Trailing 1 year	-----Gross Returns-----			
					Trailing 2 year	Trailing 3 year	Trailing 5 year	
BONDS								
Vanguard Totl Bond Mkt Fnd VBTLX	-2.6%	2.3%	-3.5%	1.9%	3.1%	8.3%	12.3%	
Vanguard S.T. Inv Grade Fnd VFSUX	-0.9%	2.7%	-0.8%	2.4%	3.5%	n/a	n/a	
Eaton Vance H.Y. Bond Fund EVIBX	-0.2%	10.8%	0.4%	8.8%	7.2%	11.8%	43.5%	
Escanaba Bond Composite	-1.3%	4.9%	-1.4%	4.1%	4.4%	8.3%	19.8%	
Merrill HY Master Index J0A0	-0.4%	15.1%	0.6%	12.2%	8.3%	13.2%	43.0%	
Merrill Bond Market Index BOA01	-2.7%	2.8%	-3.8%	2.3%	3.2%	9.0%	13.6%	
STOCKS								
Vanguard S&P 500 Index Fnd VIAXX	3.7%	9.7%	1.8%	8.0%	11.1%	29.8%	96.5%	
Vanguard Sm Cap gro Idx VISGX	6.5%	9.9%	1.3%	6.2%	7.8%	13.9%	79.2%	
JP Morgan Mid Value FLMVX	6.2%	13.9%	3.5%	11.5%	13.1%	31.3%	107.3%	
DFA Int'l Value DFIVX	0.5%	5.0%	2.9%	1.6%	-5.4%	-6.6%	27.8%	
Vanguard Reit Fund VGSLX	-1.7%	3.6%	-9.0%	5.5%	8.2%	38.7%	n/a	
Escanaba Equity Composite	4.2%	10.1%	1.3%	8.0%	9.3%	24.2%	86.9%	
S&P 500 Index	3.7%	11.5%	1.8%	8.1%	11.0%	29.7%	91.6%	
EAFE Int'l Index	-2.2%	-5.0%	-3.3%	-6.4%	-11.4%	-13.7%	14.2%	
MSCI REIT Index	-1.7%	3.7%	-10.8%	5.6%	8.4%	39.0%	n/a	
Russell 1000 : Mid Cap Index	3.7%	7.8%	1.5%	5.7%	6.2%	21.5%	77.2%	
Russell 2000: Small Cap Index	11.0%	16.4%	6.6%	10.4%	12.7%	15.7%	79.3%	
Russell 3000: Broad Mkt Index	4.2%	8.5%	1.9%	6.1%	6.7%	21.0%	77.3%	
OVERALL								
Escanaba Portfolio CAGR	2.1%	8.1%	0.2%	6.4%	3.7%	5.8%	9.9%	
Escanaba Portfolio Composite Gross	2.1%	8.1%	0.2%	6.4%	7.4%	18.3%	60.0%	
Combined Passive Index Gross	0.9%	8.2%	-0.8%	6.1%	7.7%	20.9%	59.4%	
MERS Total Market Fund	1.9%	8.8%	1.3%	7.2%			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.

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Receipts and Disbursements

The board reviewed disbursement registers for the months of October and November 2016. Board member LaPlant moved to accept the registers with support from board member Cowen. The motion carried unanimously.

Deferred Benefit – Brad Nault

Secretary Valentine advised that that Brad Nault voluntarily separated from service on 1/26/2016, after attaining the required 10 years of credited service for vesting purposes. Mr. Valentine advised that Mr. Nault is eligible to draw a pension benefit based on his 10.14 years of service, commencing on the date he would otherwise have become eligible to draw a benefit. Mr. Valentine advised that past practice was to allow the use of Act 88 time in determining one's deferred eligibility date. Mr. Valentine advised that Mr. Nault had reported having Act 88 time, but written verifications had not been received for all such time. Secretary Valentine presented calculations for a monthly benefit in the amount of \$1,628.35 commencing on or before 12/5/2030, pending receipt and approval of Act 88 time. Board member LaPlant moved to authorize the benefit as presented with support from board member Mlostek. The motion carried unanimously.

Benefit Calculation - Jerry Plourde

Secretary Valentine presented the board with a calculation of Jerry Plourde's pension benefit in the amount of \$ \$4,096.72 per month. Secretary Valentine advised that Mr. Plourde's last day was 11/10/16 and his benefit was already commenced, subject to confirmation by the Board. Mr. Valentine advised that the benefit calculation was based on 21 years of service with credit for 4 years of Act 88 time, which was is able to be used for 25 year eligibility, but not included in the benefit calculation. Secretary Valentine advised that the board approved Mr. Plourde's retirement application, and use of Act 88 time, at the October 2016 meeting. Board member LaPlant moved to authorize the monthly benefit in the amount presented, with support from board member Mlostek. The motion carried unanimously.

Summary Annual Report

Secretary Valentine reviewed with the board the Summary Annual Report for the calendar year ending on 12/31/2015. Mr. Valentine advised that the report and all of its disclosures are required by Public Act 314. Mr. Valentine advised that the report is available for public viewing on the City's website as required under the Act. Mr. Valentine advised that he would notify members, both active and retired of the availability of the report on the City's web site. Board member Cowen moved to accept the report as presented with support from board member Mlostek. The motion carried unanimously.

MAPERS Membership

Secretary Valentine presented the board with an invoice in the amount of \$100 from MAPERS for annual membership dues for the 2017 calendar year. Board member Cowen moved to authorize payment of the invoice as presented with support from board member Mlostek. The motion carried unanimously.

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Other Business

None

Public Comment

None

Adjournment

The meeting was adjourned at 8:46 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
CHAIRMAN