

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
JANUARY 26, 2018**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, January 26, 2018 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, Gary Sovey

Board Members Absent: None

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 December 26, 2017 meeting.

Unfinished Business

None

New Business

1. New Board Member Introduction

The Board welcomed Gary Sovey who was appointed by the Public Safety Department to replace David Mlostek.

2. Investment Performance Review

The Board reviewed the following investment data for 2017:

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City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
12/31/2017

	11/30/2017	12/31/2017	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	2,662,203	2,674,100	8.9%
Vanguard Short Term Bond Idx	4,588,146	4,588,325	15.2%
Eaton Vance Bonds	<u>2,865,284</u>	<u>2,873,267</u>	<u>9.5%</u>
Total Bonds	10,115,633	10,135,692	33.7%
STOCKS			
Vanguard 500 Stock Index	7,126,821	7,146,000	23.7%
Vanguard Sm Cap Gro Idx	3,922,314	3,831,378	12.7%
JP Morgan Mid Val	5,676,439	5,700,915	18.9%
Vanguard REIT Index	1,560,329	1,556,825	5.2%
DFA Int'l Value	<u>1,685,966</u>	<u>1,729,793</u>	<u>5.7%</u>
Total Stocks	19,971,869	19,964,911	66.3%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>30,087,502</u>	<u>30,100,603</u>	<u>100.00%</u>

TOTAL RETURNS

	Dec-17	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBTXL	0.4%	3.5%	0.4%	3.5%	6.2%	6.9%	10.7%
Vanguard S.T. Inv Grade Fnd VFSUX	0.0%	2.1%	0.0%	2.1%	5.0%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	0.3%	6.0%	0.2%	6.0%	19.5%	17.0%	28.7%
Escanaba Bond Composite	0.2%	3.6%	0.1%	3.6%	9.2%	9.3%	14.0%
Merrill HY Master Index JOA0	0.3%	7.5%	0.4%	7.5%	26.1%	20.4%	32.4%
Merrill Bond Market Index BOA01	0.5%	4.0%	0.5%	4.0%	7.1%	7.4%	11.3%
STOCKS							
Vanguard S&P 500 Index Fnd VFIAX	1.1%	21.8%	6.6%	21.8%	36.3%	38.4%	108.2%
Vanguard Sm Cap gro Idx VISGX	0.2%	21.7%	5.7%	21.7%	34.7%	31.1%	87.8%
JP Morgan Mid Value FLMVX	0.4%	13.7%	4.7%	13.7%	30.2%	27.1%	94.3%
DFA Int'l Value DFIVX	2.6%	26.1%	5.4%	26.1%	36.7%	28.1%	46.6%
Vanguard Reit Fund VGSLX	-0.2%	4.9%	1.4%	4.9%	13.9%	16.6%	n/a
Escanaba Equity Composite	0.8%	18.3%	5.4%	18.3%	32.3%	30.9%	90.0%
S&P 500 Index	1.1%	21.8%	6.6%	21.8%	38.5%	38.3%	108.1%
EAFE Int'l Index	1.5%	21.8%	3.9%	21.8%	19.5%	15.5%	27.9%
MSCI REIT Index	-0.2%	5.1%	1.4%	5.1%	14.1%	17.0%	n/a
Russell 1000 : Mid Cap Index	0.8%	19.3%	6.1%	19.3%	30.9%	29.5%	87.6%
Russell 2000: Small Cap Index	-0.6%	13.1%	3.0%	13.1%	35.2%	27.5%	80.8%
Russell 3000: Broad Mkt Index	0.9%	18.9%	5.8%	18.9%	31.2%	29.3%	87.0%
OVERALL							
Escanaba Portfolio CAGR	0.6%	12.8%	3.6%	12.8%	11.1%	7.0%	9.7%
Escanaba Portfolio Composite Gross	0.6%	12.8%	3.6%	12.8%	23.4%	22.6%	58.7%
Combined Passive Index Gross	0.8%	14.8%	4.1%	14.8%	26.3%	26.1%	64.7%
MERS Total Market Fund	1.2%	12.6%	3.2%	12.6%			8.2%

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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3. Disbursements

The board postponed review of expenses until the February meeting.

4. PA 202 Summary From VanOverbeke Law Firm

The board reviewed a letter from the VanOverbeke Law Firm concerning the impact of PA 202.

5. Article on Equity Valuations

The board reviewed an article from Advisor Perspectives concerning equity market valuations and

Adjournment

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

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
CHAIRMAN