

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
OCTOBER 23, 2018**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, October 23, 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: Gary Sovey, David Schaaf, Robert Valentine

Board Members Absent: Marc Zawacki, Blake Cowen

Approval/Adjustments to Agenda

None

Conflict of Interest Declaration

None

Approval and/or Corrections to Minutes

The Board unanimously approved minutes from the September 25, 2018 meeting

Unfinished Business

None

New Business

1. Review Investment Performance

Secretary Valentine presented the following summary of investment returns:

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City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
09/30/2018

	08/31/2018	09/30/2018	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	2,819,863	2,804,823	9.1%
Vanguard Short Term Bond Idx	4,604,406	4,802,179	15.5%
Eaton Vance Bonds	<u>2,904,782</u>	<u>2,918,767</u>	<u>9.4%</u>
Total Bonds	10,329,071	10,525,769	34.0%
STOCKS			
Vanguard 500 Stock Index	7,158,375	6,997,151	22.6%
Vanguard Sm Cap Gro Idx	4,534,691	4,473,898	14.5%
JP Morgan Mid Val	5,968,411	5,710,394	18.5%
Vanguard REIT Index	1,607,343	1,564,991	5.1%
DFA Int'l Value	<u>1,642,862</u>	<u>1,671,849</u>	<u>5.4%</u>
Total Stocks	20,911,882	20,418,283	66.0%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>31,240,753</u>	<u>30,944,052</u>	<u>100.00%</u>

TOTAL RETURNS

	Sep-18	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Tot Bond Mkt Fnd VBI L X	0.5%	1.6%	0.5%	1.2%	1.4%	3.8%	11.2%
Vanguard Str Inv Grade Fnd VFS UX	-0.0%	0.3%	0.5%	0.3%	1.6%	n/a	1.0%
Eaton Vance HY Bond Fund BVIBX	0.8%	1.6%	2.0%	1.7%	9.2%	20.0%	26.0%
Escanaba Bond Composite	0.0%	0.1%	0.6%	0.2%	2.6%	8.8%	14.4%
S&P 500 High Yield Index	0.5%	0.4%	2.3%	1.2%	7.4%	3.8%	32.9%
STOCKS							
Vanguard S&P 500 Index Fnd VFIAX	0.6%	10.7%	7.7%	18.0%	39.9%	61.4%	92.3%
Vanguard Sm Cap Gro Idx VIGX	1.3%	16.8%	6.6%	23.4%	44.1%	62.7%	70.9%
JP Morgan Mid Value Fnd MVX	1.0%	3.7%	3.8%	6.3%	23.0%	69.8%	64.9%
DFA Int'l Value DFIVX	1.3%	2.3%	1.3%	1.9%	28.1%	85.9%	22.1%
Vanguard Real Fund VGSLX	2.6%	0.5%	0.5%	0.9%	2.3%	22.5%	n/a
Escanaba Equity Composite	0.5%	7.8%	15.3%	15.9%	31.3%	49.7%	70.1%
S&P 500 Index	0.6%	10.6%	7.7%	17.9%	39.8%	61.4%	92.1%
EARE Int'l Index	0.6%	2.3%	0.8%	0.0%	16.0%	20.0%	28.6%
MSCI REIT Index	2.6%	2.3%	1.1%	3.7%	4.3%	25.0%	n/a
Russell 1000 Mid Cap Index	0.2%	0.0%	6.9%	6.6%	14.7%	51.7%	71.9%
Russell 2000 Small Cap Index	2.5%	10.5%	10.0%	6.8%	35.5%	54.1%	38.0%
Russell 3000 Broad Mkt Index	0.0%	9.1%	6.6%	15.6%	34.4%	61.8%	70.7%
OVERALL							
Escanaba Portfolio CAGR	-0.3%	6.1%	3.7%	8.9%	6.7%	10.1%	8.1%
Escanaba Portfolio Composite Gross	-0.3%	6.1%	3.7%	8.9%	20.2%	38.5%	47.9%
Combined Passive Index Gross	-0.3%	6.1%	3.7%	8.9%	20.2%	38.5%	47.9%
MERS Total Market Fund	-0.9%	4.5%	0.9%	4.7%	n/a	n/a	16.6%

Notes:

1.) Equity policy limitation is 66% 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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2. Disbursements

The Board reviewed the proposed disbursement register for the month of October totaling \$142,686.04. Board member Schaaf moved for approval of the disbursements as presented. The motion was supported by member Sovey. There being no further discussion the motion carried unanimously.

3. Other Business

None

General Public Comment

None

Announcements

None

Adjournment

The meeting was adjourned at 8:20 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY



GARY SOVEY
CHAIRMAN