

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

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, June 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: David Schaaf, Robert Valentine, Blake Cowen, Tony LaPlant

Board Members Absent: Gary Sovey

Approval/Adjustments to Agenda

None.

Conflict of Interest Declaration

None

Approval and/or Corrections to Minutes

The Board unanimously approved minutes from the May 22, 2018 meeting.

Unfinished Business

None

New Business

1. April 2018 Investment Performance Review

Secretary Valentine reviewed the following performance report with the board:

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City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
05/31/2018

	04/30/2018	05/31/2018	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	3,064,312	2,982,203	9.9%
Vanguard Short Term Bond Idx	4,553,188	4,572,259	15.2%
Eaton Vance Bonds	<u>2,860,523</u>	<u>2,858,464</u>	<u>9.5%</u>
Total Bonds	10,478,023	10,412,926	34.7%
STOCKS			
Vanguard 500 Stock Index	6,487,501	6,643,638	22.1%
Vanguard Sm Cap Gro Idx	3,919,522	4,146,740	13.8%
JP Morgan Mid Val	5,603,258	5,618,827	18.7%
Vanguard REIT Index	1,442,800	1,494,954	5.0%
DFA Int'l Value	<u>1,752,523</u>	<u>1,689,087</u>	<u>5.6%</u>
Total Stocks	19,205,604	19,593,246	65.3%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>29,683,626</u>	<u>30,006,172</u>	<u>100.00%</u>

TOTAL RETURNS

	May-18	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBTLX	0.6%	-1.7%	0.4%	-0.6%	0.9%	3.9%	9.8%
Vanguard S.T. Inv Grade Fnd VFSUX	0.4%	-0.4%	0.3%	0.3%	2.3%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	-0.1%	-0.5%	-0.2%	1.5%	12.1%	11.9%	23.3%
Escanaba Bond Composite	0.3%	-0.8%	0.2%	0.4%	4.4%	6.6%	12.5%
Merrill HY Master Index J0A0	0.0%	-0.3%	0.0%	-2.2%	16.4%	15.3%	26.7%
Merrill Bond Market Index BOA01	0.7%	-1.7%	0.5%	-0.4%	1.2%	4.5%	10.5%
STOCKS							
Vanguard S&P 500 Index Fnd VFIAX	2.4%	2.1%	0.2%	14.5%	34.4%	36.7%	84.2%
Vanguard Sm Cap gro Idx VISGX	5.8%	8.2%	7.6%	22.2%	43.1%	32.8%	74.5%
JP Morgan Mid Value FLMVX	0.3%	-1.4%	0.4%	6.9%	21.5%	20.9%	65.4%
DFA Int'l Value DFIVX	-3.6%	-2.4%	-2.3%	12.7%	35.2%	13.8%	35.7%
Vanguard Reit Fund VGSLX	3.6%	-4.0%	8.5%	0.3%	3.0%	13.9%	n/a
Escanaba Equity Composite	2.0%	1.4%	2.1%	12.4%	29.4%	27.5%	68.6%
S&P 500 Index	2.4%	2.0%	0.2%	14.4%	34.4%	36.7%	84.1%
EAFE Int'l Index	-2.8%	-3.2%	-3.2%	5.1%	19.1%	4.6%	16.7%
MSCI REIT Index	3.9%	-3.1%	9.6%	1.3%	4.1%	15.3%	n/a
Russell 1000 : Mid Cap Index	2.3%	1.4%	0.1%	12.4%	29.4%	27.7%	66.1%
Russell 2000: Small Cap Index	5.0%	6.4%	8.0%	19.2%	41.5%	31.1%	66.0%
Russell 3000: Broad Mkt Index	1.8%	1.8%	0.7%	12.9%	30.3%	27.9%	66.1%
OVERALL							
Escanaba Portfolio CAGR	1.4%	0.7%	1.4%	8.1%	9.4%	6.1%	7.9%
Escanaba Portfolio Composite Gross	1.4%	0.7%	1.4%	8.1%	19.8%	19.5%	46.1%
Combined Passive Index Gross	1.5%	0.5%	0.5%	8.4%	20.9%	23.3%	51.2%
MERS Total Market Fund	0.7%	1.4%	0.3%	9.1%			7.1%

2. Disbursements

The board reviewed the disbursement register for the month of June. Board member Cowen moved to authorize disbursements totaling \$143,325.96. Board member

LaPlant supported the motion. There being no further discussion, the motion carried unanimously.

3. Revision to Prior Benefit Calculation

Secretary Valentine advised that the benefit calculation for David Rees, which was approved at the May 2018 meeting, contained an error. Mr. Valentine explained that Mr. Reese was inadvertently paid for his unused sick leave and retirement bonus in conjunction with his early resignation. Secretary Valentine advised that such amounts had further been included in the gross wage number used to arrive at his final average compensation number used in his benefit calculation. Secretary Valentine presented a revised benefit calculation which did not include these items. Secretary Valentine further advised that the City had mailed Mr. Reese a letter requesting return of the overpayment. Mr. Valentine advised that Mr. Reese did not respond to the City's letter. After additional discussion and clarification, board member LaPlant moved to approved the revised benefit calculation in the amount of \$4,048.56 per month. Board member supported the motion which carried unanimously.

4. Invoice from Conduent

The board reviewed an invoice in the amount of \$600 from Conduent for actuarial work performed in conjunction with the processing of David Rees's EDRO document. Secretary Valentine advised that he confirmed with Conduent that no further billings are to be rendered on the project, he further advised that a deposit of \$2,000 was received from the parties and that a refund would be due. Board member Schaaf moved to authorize payment. Board member Cowen supported the motion which carried unanimously.

5. Other Business

None

Adjournment

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

APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
CHAIRMAN