

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
AUGUST 28, 2018**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, August 28, 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, Blake Cowen

Board Members Absent: Marc Zawacki

Approval/Adjustments to Agenda

Secretary Valentine requested to add benefit termination for Marjorie Johnson who passed away August 24th after the Agenda was prepared and sent.

Conflict of Interest Declaration

None

Approval and/or Corrections to Minutes

The Board unanimously approved minutes from the June 26, 2018 meeting. It was noted that the July meeting was canceled.

Unfinished Business

None

New Business

1. Board Member Introduction

The item was tabled until the September meeting pending clarification of the appointment from the Public Safety Department

2. Election of President

Board member Schaaf nominated Gary Sovey to replace Tony LaPlant as President. The Board voted unanimously in favor of the motion.

3. Investment Performance

PUBLIC SAFETY RETIREMENT BOARD
AUGUST 28, 2018
PAGE 2

Secretary Valentine presented the following performance statistics for the month of July:

City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
07/31/2018

	06/30/2018	07/31/2018	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	2,983,296	2,854,908	9.3%
Vanguard Short Term Bond Idx	4,573,866	4,580,315	15.0%
Eaton Vance Bonds	2,861,976	2,890,866	9.4%
Total Bonds	10,419,138	10,326,089	33.7%
STOCKS			
Vanguard 500 Stock Index	6,684,311	6,932,796	22.6%
Vanguard Sm Cap Gro Idx	4,196,053	4,237,640	13.8%
JP Morgan Mid Val	5,691,008	5,848,109	19.1%
Vanguard REIT Index	1,556,865	1,568,337	5.1%
DFA Int'l Value	1,650,599	1,703,040	5.6%
Total Stocks	19,778,836	20,289,922	66.3%
CASH			
Money Market Accounts	0	0	0.0%
Total	30,197,974	30,616,011	100.00%

TOTAL RETURNS

	Jul-18	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBTIX	0.1%	-1.6%	0.7%	-0.9%	-1.6%	4.3%	11.5%
Vanguard S.T. Inv Grade Fnd VFSUX	0.1%	-0.2%	0.6%	0.0%	1.2%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	1.0%	0.6%	1.1%	1.5%	10.6%	14.3%	25.3%
Escanaba Bond Composite	0.4%	-0.4%	0.8%	0.2%	2.7%	7.3%	14.2%
Merrill HY Master Index J0A0	1.1%	1.2%	1.5%	2.5%	14.0%	19.6%	29.6%
Merrill Bond Market Index BOA01	0.0%	-1.8%	0.6%	-0.9%	-1.8%	4.8%	12.3%
STOCKS							
Vanguard S&P 500 Index Fnd VFIAIX	3.7%	6.6%	6.9%	16.4%	35.0%	42.5%	85.5%
Vanguard Sm Cap gro Idx VISGX	1.0%	10.6%	8.1%	20.9%	37.9%	35.3%	68.5%
JP Morgan Mid Value FLMVX	2.8%	2.6%	4.4%	7.8%	22.3%	26.8%	64.2%
DFA Int'l Value DFIVX	3.2%	-1.5%	-2.8%	7.4%	35.5%	19.3%	32.8%
Vanguard Reit Fund VGSLX	0.7%	0.7%	8.7%	1.8%	-3.0%	18.6%	n/a
Escanaba Equity Composite	2.6%	5.0%	5.6%	12.7%	28.2%	32.6%	67.9%
S&P 500 Index	3.7%	6.5%	6.9%	16.2%	34.9%	42.5%	85.3%
EAFE Int'l Index	2.4%	-2.2%	-1.8%	3.6%	18.8%	6.7%	16.2%
MSCI REIT Index	0.7%	1.9%	9.3%	3.0%	-1.7%	20.3%	n/a
Russell 1000: Mid Cap Index	3.3%	5.3%	6.3%	14.0%	29.6%	33.0%	66.5%
Russell 2000: Small Cap Index	1.7%	8.8%	7.4%	17.2%	37.0%	34.9%	59.8%
Russell 3000: Broad Mkt Index	3.2%	5.6%	5.6%	14.3%	30.1%	33.1%	65.9%
OVERALL							
Escanaba Portfolio CAGR	1.8%	3.2%	3.9%	8.3%	8.8%	7.1%	7.9%
Escanaba Portfolio Composite Gross	1.8%	3.2%	3.9%	8.3%	18.4%	22.9%	46.4%
Combined Passive Index Gross	2.4%	3.3%	4.4%	9.3%	19.5%	27.2%	53.1%
MERS Total Market Fund	0.9%	1.4%	0.8%	7.1%			6.9%

4. Disbursements

PUBLIC SAFETY RETIREMENT BOARD
AUGUST 28, 2018
PAGE 3

The board reviewed July and August Disbursement registers. Board member Schaaf moved for approval of the August register, subject to adjustment for pensioners who passed away during the month, with support from board member Cowen. Motion carried unanimously

Board member Cowen moved for approval of the July register with support from board member Schaaf. The motion carried unanimously.

5. Final Benefit Payable to Marie Anderson

The Board reviewed the Daily Press Obituary for pensioner Marie Anderson who passed away on August 15, 2018. Board member Cowen moved to authorize termination of benefits for Marie Anderson effective 8/16/2018 with a final payment of \$264.60 due to her estate for August 1st – 15th. The Motion was supported by board member Sovey. The motion carried unanimously.

6. Final Benefit Payable to Hazel Klug

The Board reviewed the Daily Press Obituary for pensioner Hazel Klug who passed away on August 27, 2018. Board member Sovey moved to authorize termination of benefits for Hazel Klug effective 8/27/2018 with a final payment of \$378.25 due to her estate for August 1st – 27th. The motion was supported by board member Cowen. The motion carried unanimously.

7. Final Benefit Payable to Marjorie Johnson

The Board reviewed the Daily Press Obituary for pensioner Marjorie Johnson who passed away on August 24, 2018. Board member Sovey moved to authorize termination of benefits for Marjorie Johnson effective 8/24/2018 with a final payment of \$436.19 due to her estate for August 1st – 24th. The motion was supported by board member Cowen. The motion carried unanimously.

8. Fall MAPERS Conference

The board reviewed materials related to the Fall MAPERS Conference to be held in Traverse City September 23rd – 25th. No commitments were made to attend.

9. Signature Resolution

Board member Schaaf offered a resolution as follows: The board hereby appoints Robert Valentine, Gary Sovey and Melissa Becotte as signors who are individually authorized to transact business with Vanguard as authorized representatives of the plan; and that the aforementioned shall be duly authorized to sign all documents, invest all assets of the plan, obtain account information, give purchase and sale instructions, and engage in other transactions not specifically identified but which are permitted under the law and under policies of the Vanguard and the Plan; and be it further resolved that all terms and conditions contained in Vanguard's Institutional Investors Organizational Resolution Form (Form IIORF) and its Exhibits, shall be incorporated into said resolution; and be it further resolved that departed board member Anthony LaPlant shall no longer possess any such authority. The Resolution

PUBLIC SAFETY RETIREMENT BOARD

AUGUST 28, 2018

PAGE 4

as offered by board member Schaaf was supported by board member Cowen. The board voted unanimously in favor of the Resolution.

10. Other Business

None

11. Adjournment

The meeting was adjourned at 8:25 a.m.

APPROVED:



ROBERT VALENTINE,
SECRETARY



GARY SOVEY
CHAIRMAN