

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
APRIL 24, 2018**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, April 24, 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

Approval/Adjustments to Agenda

None.

Conflict of Interest Declaration

None

Approval and/or Corrections to Minutes

The Board unanimously approved minutes from the February 27, 2018 meeting.

Unfinished Business

None

New Business

1. March 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
03/31/2018

	02/28/2018	03/31/2018	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	3,070,253	3,089,720	10.4%
Vanguard Short Term Bond Idx	4,558,793	4,564,818	15.4%
Eaton Vance Bonds	<u>2,864,971</u>	<u>2,846,866</u>	<u>9.6%</u>
Total Bonds	10,494,017	10,501,404	35.5%
STOCKS			
Vanguard 500 Stock Index	6,731,841	6,463,113	21.8%
Vanguard Sm Cap Gro Idx	3,852,550	3,910,195	13.2%
JP Morgan Mid Val	5,597,597	5,603,258	18.9%
Vanguard REIT Index	1,378,032	1,430,497	4.8%
DFA Int'l Value	<u>1,728,104</u>	<u>1,706,849</u>	<u>5.8%</u>
Total Stocks	19,288,124	19,113,912	64.5%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>29,782,141</u>	<u>29,615,316</u>	<u>100.00%</u>

TOTAL RETURNS

	Mar-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%	-1.5%	-1.5%	1.1%	1.5%	3.3%	9.2%
Vanguard S.T. Inv Grade Fnd VFSUX	0.1%	-0.5%	-0.5%	0.8%	2.6%	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	-0.6%	-0.9%	-0.9%	2.9%	14.6%	13.1%	24.2%
Escanaba Bond Composite	0.1%	-0.9%	-0.9%	1.4%	5.4%	6.4%	12.1%
Merrill HY Master Index JOA0	-0.6%	-0.9%	-0.9%	3.7%	21.0%	16.3%	27.6%
Merrill Bond Market Index BOA01	0.7%	-1.5%	-1.5%	1.4%	1.8%	3.7%	9.7%
STOCKS							
Vanguard S&P 500 Index Fnd VFIAX	-2.5%	-0.6%	-0.6%	14.1%	33.6%	36.0%	87.0%
Vanguard Sm Cap gro Idx VISGX	1.5%	2.1%	2.1%	17.2%	40.2%	25.9%	70.7%
JP Morgan Mid Value FLMVX	0.1%	-1.7%	-1.7%	7.5%	23.1%	20.5%	69.6%
DFA Int'l Value DFIVX	-1.2%	-1.3%	-1.3%	17.5%	40.6%	21.3%	42.1%
Vanguard Reit Fund VGSLX	3.8%	-8.1%	-8.1%	-4.5%	-1.6%	2.3%	n/a
Escanaba Equity Composite	-0.4%	-1.0%	-1.0%	11.5%	29.0%	25.4%	70.1%
S&P 500 Index	-2.5%	-0.8%	-0.8%	14.0%	33.6%	35.9%	86.8%
EAFE Int'l Index	-2.2%	-2.2%	-2.2%	11.9%	21.4%	8.5%	19.8%
MSCI REIT Index	3.9%	-8.1%	-8.1%	-4.4%	-1.4%	2.6%	n/a
Russell 1000 : Mid Cap Index	-2.4%	-1.1%	-1.1%	11.8%	28.6%	26.6%	68.0%
Russell 2000: Small Cap Index	0.8%	-0.7%	-0.7%	10.0%	36.8%	21.7%	60.2%
Russell 3000: Broad Mkt Index	-2.2%	-1.1%	-1.1%	11.7%	29.3%	26.2%	67.3%
OVERALL							
Escanaba Portfolio CAGR	-0.2%	-1.0%	-1.0%	7.9%	9.5%	5.7%	8.0%
Escanaba Portfolio Composite Gross	-0.2%	-1.0%	-1.0%	7.9%	19.9%	18.2%	46.7%
Combined Passive Index Gross	-1.2%	-1.3%	-1.3%	8.8%	20.9%	22.4%	52.2%
MERS Total Market Fund	-0.6%	0.5%	0.5%	9.6%			7.2%

2. Review Disbursements

The board reviewed the disbursement register for March. Board member Schaaf moved for acceptance of the registers subject to a follow up explanation of the

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description of one of the charges. Board member Sovey supported the motion. There being no further discussion, the motion carried unanimously.

3. Indications of Interest for Spring MAPERS Conference

No members had interest in attending the Spring MAPERS Conference.

4. Audit Report Covering the Fiscal Year Ending 06/30/2017

The board reviewed the Audit Report for fiscal year ending 06/30/2017. Secretary Valentine noted that the report is self-explanatory but if any members had questions, to follow-up with questions to him due to an Auditor not being present for the meeting. No members had further questions at that time.

5. Follow Up On Status of Brokerage Account and Emerging Markets Fund

Secretary Valentine explained that there was not a follow-up update due to it still being in progress through Vanguard.

6. Acceptance of Reese EDRO Document

The board unanimously approved to accept David and Lisa Reese's EDRO Document dated April 13, 2018.

7. Acceptance of Actuary's Instructions for Payment of Benefits Pursuant to Reese EDRO

The board reviewed the EDRO document concerning David and Lisa Reese that was received from legal council. Board member LaPlant moved for acceptance of David Reese's recoupment calculation amount of \$1,167.26 per month to begin on July 4, 2018, along with Linda Reese's recoupment calculation amount of \$1,108.05 per month. Board member Sovey supported the motion. There being no further discussion, the motion carried unanimously.

8. Acceptance of Reese Retirement Application

The board reviewed David Reese's application for Retirement Application. Board member Cowen moved to set David Reese's Retirement Date to be April 29, 2018. Board member LaPlant supported the motion. There being no further discussion, the motion carried unanimously.

9. Review Letter from David Reese Addressed to the Retirement Board

The board reviewed a letter written by David Reese to the Retirement Board concerning his recognition of twenty-five years of service.

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10. Determination of Reese Service Credit, Benefit Commencement Date and Includable FAC Roll-In Amounts

The board determined that David Reese will be 10 months short of 25 years of service. Board member LaPlant moved to commence David Reese's retirement benefit date to be August 1, 2018. Board member Cowen supported the motion. There being no further discussion, the motion carried unanimously.

11. Acceptance of Mlostek Retirement Application

The board reviewed David Mlostek's application for Retirement Application. Board member Schaaf moved to accept David Mlostek's 24.4 years of service, plus Military Service Time, plus paid-in amount setting March 29, 2018 as his official retirement date. Board member Sovey supported the motion. There being no further discussion, the motion carried unanimously.

12. Approval of Mlostek's Purchase of .6 Years of Military Service Credit

The board reviewed David Mlostek's application to purchase .6 years of Military Service at the rate of $5\% \times .6064 \text{ years} = \$1,898.02$. Board member Cowen moved to accept David Mlostek's application to purchase .6 years of Military Service in the amount of \$1,898.02. Board member Sovey supported the motion. There being no further discussion, the motion carried unanimously.

13. Acceptance of Mlostek's Benefit Calculation and Commencement Date

The board reviewed David Mlostek's benefit calculation. Board member LaPlant moved to accept David Mlostek's Benefit Calculation and set March 29, 2018 as his retirement date; which includes the purchase of military credit, allowing David Mlostek to draw pension after the last day of work. Board member Cowen supported the motion. There being no further discussion, the motion carried unanimously.

14. Acceptance of Mlostek EDRO

Board member Schaaf motioned to accept David and Lisa Mlostek's EDRO Document dated March 30, 2018. Board member Cowen supported the motion. There being no further discussion, the motion carried unanimously.

15. Acceptance of Actuary's Instructions for Payment of Benefits Pursuant to Mlostek EDRO

The board reviewed the EDRO document concerning and Lisa Mlostek that was received from legal council. Board member LaPlant moved for acceptance of David Mlostek's recoupment calculation amount of \$1,270.61 per month to begin on March 31, 2018, along with Linda Mlostek's recoupment calculation amount of \$1,148.66 per month. Board member Cowen supported the motion. There being no further discussion, the motion carried unanimously.

Adjournment

Following a motion by board member Sovey, the meeting was adjourned at 8:55 a.m.

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APPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
CHAIRMAN