

## OIL AND GAS INVESTMENT BOARD MINUTES OF APRIL 17, 2015

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, April 17, 2015 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by Chair Colleen Kenny at 12:00 p.m.

**MEMBERS PRESENT:** Colleen Kenny, Doug Parkes, Steve Brower, Ed Bradford, Ben Bifoss

**MEMBERS ABSENT:** Eric Gustad

**OTHERS PRESENT:** None

<b>OLD BUSINESS</b>
---------------------

None.

<b>NEW BUSINESS</b>
---------------------

*Minutes* - Minutes from the January 16, 2015 meeting were reviewed. **MOTION** by Doug Parkes, second by Steve Brower to accept the minutes and place them on file. All in favor - motion carried.

*Investment Advisor Update and Commentary* – Woody Uible presented the Investment Update as of March 31, 2015 via conference call. Information in the report included Market Outlook, Trend Changes in Markets, Bull Market in Context, Fed Watch, International Fixed Income, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance. Discussion on bull market and market indicators. Bartlett has just finished their sixth year as investment advisor. Returns in the last year have been soft and internal projections show lower expected equity returns in the future. Questions and comments by board members were responded to.

Reviewed recent Council budget discussions regarding taking out additional funds for street repairs. Investment Advisor previously submitted his written opinion on this but encouraged board members to Google “sustainable spending policies” for additional information. Most endowment funds are long term funds; and are keeping the spending rule at or under 4% for the long-term health of the fund. Excess funds currently available were only gained by the creation of this portfolio, favorable market conditions and use of the spending rule. The City used to spend all of the interest income earned which limited the future spending potential. Doug Parkes noted the cost of taking additional funds over the spending rule now, would result in a loss of income and purchasing power in the future. The Board noted that if all excess funds are

removed and the market falls again in the future; we might be at a point that we are below the principal amount and in violation of the City Charter. Parkes also noted that the City would not have what it has now if the funds had been spent by previous City Councils.

**PUBLIC COMMENTS**

None.

**ADJOURNMENT / NEXT MEETING**

Next regular meeting is scheduled for Friday, July 17, 2015 at 12 p.m. in the Second Floor Conference Room, City Hall.

Following miscellaneous discussion, **MOTION** to adjourn by Steve Brower, second by Doug Parkes at 12:50 p.m.

Cynthia Lokovich, CAP-OM  
Recording Secretary

- c. Manistee City Council  
Board Members  
R. Ben Bifoss, Interim City Manager  
George Saylor, City Attorney