

OIL AND GAS INVESTMENT BOARD

MINUTES OF OCTOBER 20, 2017

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, October 20, 2017 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by Chair Jim Smith at 12:00 p.m.

MEMBERS PRESENT: Jim Smith, Lynda Beaton, Steve Brower, Doug Parkes, Ed Bradford

MEMBERS ABSENT: Thad Taylor

OTHERS PRESENT: Woody Uible, Roger Zielinski

OLD BUSINESS

Aztec Well Update – Plant is back in operation, no royalty checks as of yet. No updates from the State auditor or on a potential sale of the facility.

NEW BUSINESS

Minutes - Minutes from the August 11, 2017 meeting were reviewed. **MOTION** by Doug Parkes, second by Steve Brower to accept the minutes as presented. No discussion. Voice Vote – motion carried.

Investment Advisor Update and Commentary – Woody Uible was in attendance and Troy Snider participated via conference call to present the Investment Update as of September 30, 2017. Discussion items:

- Bartlett’s Market Assessment – modest inflation, low interest rates, and continued economic growth.
- Leading Economic Index continues to trend higher, most indicators are positive.
- History of Market Declines – lowest fluctuations in the past 8-10 years.
- Expects Feds to raise interest rates in December and again next year.
- Price earnings ratio on U.S. stocks is above average.
- Domestic vs. International performance.
- Asset Allocation – City took \$375,000 in annual withdrawal.
- Risk Management.
- Equity Sector Allocation.
- Portfolio Performance – Returns are not sustainable number, well above average.
- The impact of natural disasters on the economy; generally results in a stimulating effect.
- Upcoming City bond issue, markets are expected to be fairly stable.

- Representative benchmark added to the report to get a better sense of perspective on how Bartlett is doing for the portfolio. Discussed expenses incurred for the investment advisor. Bartlett’s fee is on a sliding scale and overall is less than a typical investment advisor.
- Woody Uible noted the Board’s caution approach has paid off over the longevity of the fund. Keep growing the fund and the spending rule amount will continue to grow. Mayor Jim Smith noted that the fund needs to be preserved to have growth going forward. It is the City’s “golden goose.”

Set Meeting Dates for 2018 – **MOTION** by Doug Parkes, second by Ed Bradford to set the meeting dates for 2018 as January 19, April 20, July 20, and October 19, 2018. Voice vote – motion carried.

PUBLIC COMMENTS

None.

ADJOURNMENT / NEXT MEETING

Next regular meeting is scheduled for Friday, January 19, 2018 at 12 p.m. in the Second Floor Conference Room, City Hall.

MOTION to adjourn by Ed Bradford, second by Doug Parkes at 1:10 p.m.

Cynthia Lokovich, CAP-OM
Executive Secretary / Recording Secretary

- c. Manistee City Council
Board Members
Thad N. Taylor, City Manager
George Saylor, City Attorney