

OIL AND GAS INVESTMENT BOARD MINUTES OF JULY 17, 2015

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, July 17, 2015 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by Vice Chair Ed Bradford at 12:10 p.m.

MEMBERS PRESENT: Doug Parkes, Steve Brower, Ed Bradford

MEMBERS ABSENT: Eric Gustad, Colleen Kenny, Ben Bifoss

OTHERS PRESENT: Bartlett – Woody Uible, City Attorney George Saylor

OLD BUSINESS

Ed Bradford has heard nothing from Aztec in quite some time, royalty checks continue.

NEW BUSINESS

Minutes - Minutes from the April 17, 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 June 30, 2015. Troy Snider participated via conference call. Information in the report included Market Review and Outlook, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance. One of the longest economic recovery period since 1930; lower rate of returns, bottom dropped out of energy market. Questions and comments by board members were responded to.

Discussion on Additional Distribution in Excess of Spending Rule – In their 2015-2016 fiscal year budget City Council took action to allocate additional funds for street repairs out of the excess Oil and Gas Funds. Oil and Gas Board previously supported a resolution to Council to recommend against this. City Council decided to tap excess earnings above the spending rule in the amount of \$83,000 which will be transferred from the fund and applied toward street repairs. Citizen members of the Board felt this ignored the framework on how this fund is managed and could be damaging to the fund should rate of return stay low or drop; all for a very small amount of street repair. Bradford believes the State of Michigan will figure something out on street funding soon, which would provide needed funds for street repairs and potentially prevent the need for this in the future.

PUBLIC COMMENTS

None.

ADJOURNMENT / NEXT MEETING

Next regular meeting is scheduled for Friday, October 16, 2015 at 12 p.m. in the Second Floor Conference Room, City Hall.

Following miscellaneous discussion, **MOTION** to adjourn by Doug Parkes, second by Steve Brower at 12:45 p.m.

Cynthia Lokovich, CAP-OM
Recording Secretary

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