

OIL AND GAS INVESTMENT BOARD MINUTES OF JULY 26, 2019

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, July 26, 2019 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by the Chair at 12:00 p.m.

MEMBERS PRESENT: Roger Zielinski, Ed Bradford, Erin Martin Pontiac, Jeff Reau

MEMBERS ABSENT: Thad Taylor, Doug Parkes

OTHERS PRESENT: Woody Uible of Bartlett

OLD BUSINESS

Aztec Well Update – Royalties for January: \$5,743; February \$3,848; March: \$3,632; April: \$1,544; May: \$8,989; June: \$6,571.

NEW BUSINESS

Minutes - Minutes from the April 26, 2019 meeting were reviewed. **MOTION** by Erin Martin Pontiac, second by Jeff Reau to accept the minutes as presented. No discussion. Voice vote – motion carried.

Investment Advisor Update and Commentary – Woody Uible was present and Troy Snider participated via conference call to present the Investment Update as of June 30, 2019. Discussion items:

- Market Assessment – Does not foresee economic recession in the near term. Equity markets may face challenging conditions due to a slowdown in U.S. and global growth. Reviewed positive trends and areas of caution.
- U.S. leading economic indicators are still favorable.
- Borrowing costs still low globally. Discussed negative interest rates.
- Flatter yield curve = slower expected growth.
- Risk of global recession is rising; areas of concern.
- Indicators of bull market top are beginning to appear. More cautious than three years ago; some evidence of possible turning point.
- Asset Allocation reviewed; just crossed the \$11 million dollar mark.
- Risk Management – Diversified and reliable income for the next several years.
- Equity Sector Allocation reviewed.

- Portfolio Performance – Ten year anniversary of the portfolio. Spending policy has created a lot of wealth; Bartlett recommends sticking with the plan moving forward. It was noted that the Board has an obligation to protect the fund for future generations. Discussed impacts of past withdrawals. Discussed expected returns, projections and purchasing power. Discussed current royalties and future expectations; a decline is anticipated.

PUBLIC COMMENTS

None.

NEXT MEETING / ADJOURNMENT

Next regular meeting is scheduled for Friday, October 18, 2019 at 12:00 p.m. in the Second Floor Conference Room, City Hall.

Call of the Chair to adjourn at 12:40 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