

OIL AND GAS INVESTMENT BOARD MINUTES OF OCTOBER 18, 2019

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, October 18, 2019 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by the Chair at 9:00 a.m.

MEMBERS PRESENT: Roger Zielinski, Ed Bradford, Doug Parkes

MEMBERS ABSENT: Thad Taylor, Erin Martin Pontiac, Jeff Reau

OTHERS PRESENT: Kelly McColl

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; July \$3,589; August \$3,783; September \$2,747.

NEW BUSINESS

Minutes - Minutes from the July 26, 2019 meeting were reviewed. **MOTION** by Doug Parkes, second by Ed Bradford to accept the minutes as presented. No discussion. Voice vote – motion carried.

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

- Market Assessment – Does not foresee economic recession in the near term – becoming more cautious. Discussed Federal Reserve and interest rates.
- U.S. leading economic indicators are still favorable.
- U.S. manufacturing activity feeling impact of global slowdown.
- Borrowing costs are low globally. Discussed negative interest rates.
- Flatter yield curve = slower expected growth.
- Reviewed History of market declines.
- Asset Allocation reviewed.
- Risk Management – diversified and reliable income for the next several years.
- Equity Sector Allocation reviewed – heavy in health care; above S&P.
- Cash flow additions and distributions.
- Portfolio Performance reviewed. Discussed current royalties and future expectations; a decline is anticipated.

- Discussed 4% spending rule. Many organizations are starting to trend lower but no recommendations to the City at this time. Depending on rates, we might want to reduce the percentage in the future if markets turn down.

Set Meeting Dates for 2020 – MOTION by Doug Parkes, second by Ed Bradford to set the meeting dates for 2020 as Friday, January 17, Friday, April 17, Friday, July 17, and Friday, October 16, 2020 at 12:00 p.m. in the Second Floor Conference Room, City Hall. Voice vote – motion carried.

PUBLIC COMMENTS

None.

NEXT MEETING / ADJOURNMENT

Next regular meeting is scheduled for Friday, January 17, 2020 at 12:00 p.m. in the Second Floor Conference Room, City Hall.

Call of the Chair to adjourn at 9:38 a.m.

DRAFT - cl

Cynthia Lokovich, CAP, OM
Executive Secretary / Recording Secretary

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