OIL AND GAS INVESTMENT BOARD MEETING OF JANUARY 18, 2013

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, January 18, 2013 at 12 p.m. in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by Chair Colleen Kenny.

MEMBERS PRESENT: Colleen Kenny, Catherine Zaring, Ed Bradford, Doug Parkes, Steve

Brower, Mitch Deisch

MEMBERS ABSENT: None

OTHERS PRESENT: City Attorney George Saylor

Old Business.

Aztec Update - No contact in recent months, nothing to report.

New Business.

Minutes - Minutes from the August 28, 2012 meeting were reviewed. **MOTION** by Doug Parkes, second by Catherine Zaring to accept the minutes and place them on file. All in Favor - motion carried.

Investment Advisor Update and Commentary – By conference call Woody Uible and Troy Snider of Bartlett presented the Investment Update as of December 31, 2012. Information in the report includes Market Outlook, Indices, Asset Allocation, Fixed Income Characteristics, Portfolio Performance and holdings. Bartlett noted no exceptions or anything unusual in the report. Numerous questions and comments by Board members and responded to by Bartlett representatives.

Discussion on Spending Rule. Bartlett and the Oil Gas Board had previously discussed the spending rule percentage, asset allocation and local certificates of deposit. Bartlett feels that this is the ideal time to revisit those discussions. Bartlett feels the Spending Rule is a little on the high side which lowers future purchasing power which affects the Capital Improvement Fund. Bradford would also like to reconsider the policy language that requires 10% be held in local certificates of deposit as he feels better returns could be achieved through the investment advisor. Bartlett also feels the 50/50 asset allocation is too conservative and that there are compelling reasons to consider a 60/40 or 65/35 mix at this time. Discussion followed.

MOTION was made by Ed Bradford, second by Doug Parkes to lower the spending rule percentage to 4%. All in favor – motion carried.

MOTION was made by Doug Parkes, second by Catherine Zaring to change the asset allocation mix to 65/35. All in favor – motion carried.

MOTION was made by Doug Parkes, second by Catherine Zaring to remove the policy requirement to hold 10% in local certificates of deposit. All in favor – motion carried.

Finance Director Ed Bradford will make these recommended changes to the Investment Policy and forward them to City Council for approval.

Meeting Dates for 2013. Agenda was amended to add discussion on meeting dates for 2013. Consensus to schedule meetings for:

Friday, January 18, 2013 at 12 p.m. Friday, April 19, 2013 at 11 a.m. Friday, August 16, 2013 at 12 p.m. Friday, October 11, 2013 at 12 p.m.

Communications.

Bylaws should be reviewed on an annual basis. Copies of the current bylaws as last amended in 2011 were distributed. No changes were proposed at this time.

Public Comments.

None

Adjourn.

Next regular meeting is scheduled for Friday, April 19, 2013 at 11 a.m. in the Second Floor Conference Room, City Hall. **MOTION** by Catherine Zaring, second by Steve Brower to adjourn at 1:15 p.m.

Respectfully submitted,

Cynthea J. Hokovech
Cynthia Lokovich, Recording Secretary

c. Manistee City Council
Board Members
Mitch Deisch, City Manager
George Saylor, City Attorney