

**CITY OF MANISTEE  
OIL AND GAS INVESTMENT BOARD  
MEETING OF JANUARY 16, 2015**

There will be a meeting of the Oil and Gas Investment Board held on Friday, January 16, 2015 at 12:00 p.m. in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660.

**AGENDA**

**I. ROLL CALL.**

**II. OLD BUSINESS.**

- a.) None

**III. NEW BUSINESS.**

- a.) Approval of Minutes from October 10, 2014
- b.) Investment Advisor Update and Commentary
- c.) Internal Loans – Memorandums of Understanding
- d.) Annual Review of Bylaws
- e.) Membership Roster Update

**IV. PUBLIC COMMENT.**

**VI. ADJOURN.**

- c. Colleen Kenny, Chair  
Eric Gustad, Council Representative  
Ed Bradford, Vice-Chair  
Doug Parkes  
Steve Brower  
Mitch Deisch, City Manager  
George Saylor, City Attorney  
Woody Uible, Investment Advisor

## OIL AND GAS INVESTMENT BOARD MINUTES OF OCTOBER 10, 2014

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, October 10, 2014 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by Chair Colleen Kenny at 12:00 p.m.

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

**MEMBERS ABSENT:** Mitch Deisch

**OTHERS PRESENT:** None

<b>OLD BUSINESS</b>
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None.

<b>NEW BUSINESS</b>
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Minutes - Minutes from the August 15, 2014 meeting were reviewed. **MOTION** by Catherine Zaring, second by Doug Parkes to accept the minutes and place them on file. All in favor - motion carried.

Bartlett Letter on Sustainable Spending Policy – This letter was requested by the Ad Hoc Street Committee; brief discussion.

Board Resolution on Managing the Oil & Gas Fund as an Endowment – Finance Director Ed Bradford was requested to draft a resolution of support for the Oil and Gas Investment Board to consider; recommending that City Council maintain the consistent preservation of oil and gas funds. The draft resolution was reviewed and discussed, no changes were recommended.

**MOTION** by Catherine Zaring, second by Steve Brower, to authorize Colleen Kenny as Chair to sign a resolution on behalf of the Oil and Gas Investment Board supporting the management of the Oil and Gas Fund as an Endowment; and that this resolution be forwarded to the Manistee City Council. All in favor – motion carried.

Calendar Dates for 2015 – Board discussed quarterly meeting dates for 2015. Other meetings can be scheduled as necessary. Dates selected were: Friday, January 16, 2015; Friday, April 17, 2015; Friday, July 17, 2015 and Friday, October 16, 2015. Board consensus, meeting dates will be posted.

Memorandums of Understanding on Internal Loans – The City Attorney and Finance Director are working on two memorandums of understanding between the City and the Board for the internal loans. Both should be ready for the next meeting.

Investment Advisor Update and Commentary – Woody Uible presented the Investment Update as of September 30, 2014 via conference call. Information in the report includes Market Outlook, Bull Market in Context, Fed Watch, International Fixed Income, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance. Questions and comments by board members were responded to.

Steve Brower left the meeting at 12:20 p.m.

Discussed stock prices on energy, health care, and utilities. Discussed Bartlett's letter and the resolution adopted by the Board to manage this fund as an endowment. Mr. Uible again cautioned the Board that there could be some slip back over the next 3-6 months. Maintaining the spending rule will help buffer any impacts.

Colleen Kenny left the meeting at 12:52 p.m.

**PUBLIC COMMENTS**

None.

**ADJOURNMENT / NEXT MEETING**

Next regular meeting is scheduled for Friday, January 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 Catherine Zaring at 1:05 p.m.

*DRAFT* - cl

Cynthia Lokovich, CAP-OM  
Recording Secretary

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

**MEMORANDUM OF UNDERSTANDING**

**Oil & Gas Board Municipal Marina Loan**

**Whereas**, there exists an internal loan approved by the Oil & Gas Investment Board on April 19, 2013 between the City of Manistee Oil and Gas Fund and the City of Manistee related to the renovation of the City of Manistee Municipal Marina, and

**Whereas**, on April 25, 2014, the Oil and Gas Investment Board approved a change to the amortization schedule for the loan to permit interest only payments from the City for the fiscal years of 2013-2014 and 2014-2015; and

**Whereas**, it is the desire both by the City of Manistee Oil and Gas Investment Board and the City of Manistee to memorialize the agreement relative to the internal loan between the Oil and Gas Fund and the City of Manistee and the modifications that have been agreed to regarding the amortization of the loan; therefore

**It Is Hereby Acknowledged and Documented** that an internal loan from accumulated investment earnings exists between the City of Manistee Oil and Gas Fund and the City of Manistee with an outstanding amount of Two Hundred Seventy-four Thousand Four Hundred Eighty-one and 68/100 Dollars (\$274,481.68) (as of April 25, 2014), which bears 2% per annum interest and is amortized and provides for payments in accordance with the attached amortization schedule.

Dated: \_\_\_\_\_, 2015.

City of Manistee Oil and Gas Investment Board

By: \_\_\_\_\_  
Colleen Kenny, Chair

City of Manistee City Clerk

By: \_\_\_\_\_  
Michelle Wright

**Marina Oil & Gas Loan**

Compound Period: Monthly

Nominal Annual Rate: 2.000%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	7/1/2010	190,000.00	1		
2 Loan	9/1/2011	80,000.00	1		
3 Payment	10/1/2012	Interest Only	1		
4 Payment	10/1/2013	Interest Only	1		
5 Payment	10/1/2014	Interest Only	1		
6 Payment	10/1/2015	30,586.57	10	Annual	10/1/2024

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Loan	Payment	Interest	Principal	Balance	FY
Loan	7/1/2010	190,000.00				190,000.00	
2010 Totals		190,000.00	0.00	0.00	0.00		
Loan	9/1/2011	80,000.00		4,481.68	4,481.68	274,481.68	
2011 Totals		80,000.00	0.00	4,481.68	4,481.68		
1	10/1/2012		6,006.94	6,006.94	0.00	274,481.68	FY 13
2012 Totals		0.00	6,006.94	6,006.94	0.00		
2	10/1/2013		5,540.24	5,540.24	0.00	274,481.68	FY 14
2013 Totals		0.00	5,540.24	5,540.24	0.00		
3	10/1/2014		5,540.24	5,540.24	0.00	274,481.68	FY 15
2014 Totals		0.00	5,540.24	5,540.24	0.00		
4	10/1/2015		30,586.57	5,540.24	25,046.33	249,435.35	FY 16
2015 Totals		0.00	30,586.57	5,540.24	25,046.33		
5	10/1/2016		30,586.57	5,034.69	25,551.88	223,883.47	FY 17
2016 Totals		0.00	30,586.57	5,034.69	25,551.88		
6	10/1/2017		30,586.57	4,518.94	26,067.63	197,815.84	FY 18
2017 Totals		0.00	30,586.57	4,518.94	26,067.63		
7	10/1/2018		30,586.57	3,992.79	26,593.78	171,222.06	FY 19
2018 Totals		0.00	30,586.57	3,992.79	26,593.78		
8	10/1/2019		30,586.57	3,456.01	27,130.56	144,091.50	FY 20
2019 Totals		0.00	30,586.57	3,456.01	27,130.56		

9	10/1/2020		30,586.57	2,908.39	27,678.18	116,413.32	FY 21
2020 Totals		0.00	30,586.57	2,908.39	27,678.18		
10	10/1/2021		30,586.57	2,349.73	28,236.84	88,176.48	FY 22
2021 Totals		0.00	30,586.57	2,349.73	28,236.84		
11	10/1/2022		30,586.57	1,779.79	28,806.78	59,369.70	FY 23
2022 Totals		0.00	30,586.57	1,779.79	28,806.78		
12	10/1/2023		30,586.57	1,198.34	29,388.23	29,981.47	FY 24
2023 Totals		0.00	30,586.57	1,198.34	29,388.23		
13	10/1/2024		30,586.57	605.10	29,981.47	0.00	FY 25
2024 Totals		0.00	30,586.57	605.10	29,981.47		
Grand Totals		270,000.00	322,953.12	52,953.12	270,000.00		

**OIL AND GAS INVESTMENT BOARD**  
**MINUTES OF APRIL 25, 2014**

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, April 25, 2014 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, Doug Parkes, Ed Bradford, Steve Brower, Catherine Zaring

**MEMBERS ABSENT:** Mitch Deisch

**OTHERS PRESENT:** City Attorney George Saylor

<b>OLD BUSINESS</b>
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None.

<b>NEW BUSINESS</b>
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*Minutes* - Minutes from the January 17, 2014 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.

*Amend Loan to Marina Fund* – The Oil and Gas Fund has an outstanding loan to the Municipal Marina in the amount of \$274,481.68 at 2% annual interest. The Marina has been unable to meet its obligations on this loan. The Board was asked to approve a change to the amortization schedule and authorize interest only payments in fiscal years 2013-2014 and 2014-2015. Board discussed the need to aggressively market the marina, the need to document this internal loan, and whether the interest rate was appropriate.

**MOTION** by Doug Parkes, second by Steve Brower, to authorize an interest only payment by the Municipal Marina for its outstanding loan from the Oil and Gas Fund in fiscal year 2013-2014 and 2014-2015; authorize updating the amortization schedule to reflect this; document this internal loan through a memorandum of understanding to be prepared by the City Attorney between the City and the Oil and Gas Board; and review interest rates again in five years. All in favor – motion carried.

*Investment Advisor Update and Commentary* – Woody Uible participated via phone to present the Investment Updates as of March 31, 2014. Information in the report includes Market Outlook, Comparison of Indices, Stock Earnings Yield Versus Bond Yield, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance. Questions

and comments by board members were responded to. First time this fund has gone over the 10 million dollar mark at the end of a quarter.

*Oil and Gas Spending Rule Sensitivity Analysis.* Finance Director Ed Bradford presented a Spending Rule Sensitivity Analysis that showed four hypothetical market situations and their impacts should this fund experience a significant downturn. This review shows that the smoothing effect of the twelve quarter moving average, the excellent portfolio performance over the last five years, and the reasonable spending percentage has set the City up for a relatively stable source of income for years to come. The one caveat noted was the analysis did not include tapping the excess earnings in the fund for other purposes as this would significantly impact the fund. Questions and comments by board members were responded to by the Finance Director and discussion included coverage of current obligations and legalities surrounding requests to use funds.

Chair Colleen Kenny left the meeting at 12:50 p.m., Vice-Chair Ed Bradford assumed the role of Chair.

<b>COMMUNICATIONS</b>
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None.

<b>PUBLIC COMMENTS</b>
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None.

<b>ADJOURNMENT / NEXT MEETING</b>
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Next regular meeting is scheduled for Friday, July 25, 2014 at 12 p.m. in the Second Floor Conference Room, City Hall.

Motion to adjourn by Doug Parks, second by Steve Brower at 1:03 p.m.

Cynthia Lokovich, CAP-OM  
Recording Secretary

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

## OIL AND GAS INVESTMENT BOARD MINUTES OF APRIL 19, 2013

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, April 19, 2013 at 11 a.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, Mitch Deisch

**MEMBERS ABSENT:** Steve Brower

**OTHERS PRESENT:** City Attorney George Saylor

### OLD BUSINESS

*Aztec Update* – Distributed Account Detail Report as of March 31, 2013. Royalties are a little below budgeted amounts.

### NEW BUSINESS

*Minutes* - Minutes from the January 18, 2013 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 March 31, 2013. Information in the report includes Market Outlook, Comparison of Indices, Stock Earnings Yield Versus Bond Yield, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance. At their meeting of March 19, 2013 City Council took action to ratify changes to the Oil and Gas Investment Policy and Spending Rule as recommended by the Oil and Gas Board; this was reflected in the report. Bartlett noted no exceptions or anything unusual in the report. Questions and comments by Board members and responded to by Bartlett representatives. Next draw is not anticipated until after budget adoption and the new fiscal year begins.

*Discussion on Internal Loans.* Board discussed a memo received from Finance Director Ed Bradford regarding internal loans in the Water and Sewer Fund and a request to replace these loans from another source. City Attorney questioned Charter provisions that prohibit loans of the fund principal. Charter language and past attorney opinions were reviewed. This request would not be a loan from the principal, rather from investment earnings and would be paid back with 2% interest to the Oil and Gas Fund.

**MOTION** by Ed Bradford, second by Doug Parkes to authorize a loan from the Oil and Gas Fund investment earnings to cover the internal loans made from the Water and Sewer Fund to finance the Arthur Street boat launch upgrades and the Marina building replacement; with an interest rate of 2% for the respective balances of \$118,539 and \$249,851. The Oil and Gas Fund will receive all principal and interest payments. All voted in favor – motion carried.

*Discussion on Proposed Water & Sewer Utility Contribution.* Board discussed a memo received from Finance Director Ed Bradford regarding a proposed contribution to the Water and Sewer Fund. Council has discussed financial challenges in the Water and Sewer Fund on several occasions. Council and staff have tried to be proactive on water and sewer rates and see the value in keeping rates down for the consumer.

**MOTION** by Doug Parkes, second by Ed Bradford to authorize a \$125,000 contribution from the Oil and Gas Fund investment earnings to the Water and Sewer Fund; in addition to the annual 4% spending rule; to help offset the increase in water and sewer rates from 15% to 10% in the 2013-2014 Budget. All voted in favor – Motion carried.

Staff will be clear to Council that if they approve the budget as written; they will be authorizing this contribution.

**COMMUNICATIONS**

Discussion on Bartlett investment services. Bartlett has been managing the fund for approximately four years now. Staff and the Oil and Gas Board expressed their satisfaction with the services being provided. Bartlett has met or exceeded all of the benchmarks.

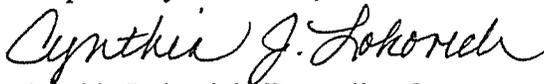
**PUBLIC COMMENTS**

None

**ADJOURNMENT / NEXT MEETING**

Next regular meeting is scheduled for Friday, August 16, 2013 at 12 p.m. in the Second Floor Conference Room, City Hall. **MOTION** by Doug Parkes, second by Catherine Zaring to adjourn at 12:10 p.m.

Respectfully submitted,

  
Cynthia Lokovich, Recording Secretary

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

**MEMORANDUM OF UNDERSTANDING**

**Oil & Gas Board Boat Launch Loan**

**Whereas**, there exists an internal loan approved by the Oil & Gas Investment Board on April 19, 2013 between the City of Manistee Oil and Gas Fund and the City of Manistee related to the renovation of the City of Manistee Arthur Street Boat Launch, and

**Whereas**, it is the desire both by the City of Manistee Oil and Gas Investment Board and the City of Manistee to memorialize the agreement relative to the internal loan between the Oil and Gas Fund and the City of Manistee and the modifications that have been agreed to regarding the amortization of the loan; therefore

**It Is Hereby Acknowledged and Documented** that an internal loan from accumulated investment earnings exists between the City of Manistee Oil and Gas Fund and the City of Manistee with an outstanding amount of One Hundred Six Thousand Three Hundred Ninety-five and 61/100 Dollars (\$106,395.61) (as of April 25, 2014), which bears 2% per annum interest and is amortized and provides for payments in accordance with the attached amortization schedule.

Dated: \_\_\_\_\_, 2015.

City of Manistee Oil and Gas Investment Board

By: \_\_\_\_\_  
Colleen Kenny, Chair

City of Manistee City Clerk

By: \_\_\_\_\_  
Michelle Wright

**Arthur St. Boat Launch Oil & Gas Loan**

Compound Period: Monthly

Nominal Annual Rate: 2.000%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	8/1/2010	135,000.00	1		
2 Payment	2/10/2012	8,000.00	1		
3 Payment	10/31/2012	14,535.58	10	Annual	10/31/2021

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance	
Loan	8/1/2010				135,000.00	
2010 Totals		0.00	0.00	0.00		
1	2/10/2012	8,000.00	4,176.49	3,823.51	131,176.49	
2	10/31/2012	14,535.58	1,897.66	12,637.92	118,538.57	FY13
2012 Totals		22,535.58	6,074.15	16,461.43		
3	10/31/2013	14,535.58	2,392.62	12,142.96	106,395.61	FY14
2013 Totals		14,535.58	2,392.62	12,142.96		
4	10/31/2014	14,535.58	2,147.53	12,388.05	94,007.56	FY15
2014 Totals		14,535.58	2,147.53	12,388.05		
5	10/31/2015	14,535.58	1,897.48	12,638.10	81,369.46	FY16
2015 Totals		14,535.58	1,897.48	12,638.10		
6	10/31/2016	14,535.58	1,642.39	12,893.19	68,476.27	FY17
2016 Totals		14,535.58	1,642.39	12,893.19		
7	10/31/2017	14,535.58	1,382.15	13,153.43	55,322.84	FY18
2017 Totals		14,535.58	1,382.15	13,153.43		
8	10/31/2018	14,535.58	1,116.66	13,418.92	41,903.92	FY19
2018 Totals		14,535.58	1,116.66	13,418.92		
9	10/31/2019	14,535.58	845.80	13,689.78	28,214.14	FY20
2019 Totals		14,535.58	845.80	13,689.78		
10	10/31/2020	14,535.58	569.48	13,966.10	14,248.04	FY21
2020 Totals		14,535.58	569.48	13,966.10		
11	10/31/2021	14,535.58	287.54	14,248.04	0.00	
2021 Totals		14,535.58	287.54	14,248.04		
Grand Totals		153,355.80	18,355.80	135,000.00		

**OIL AND GAS INVESTMENT BOARD  
MINUTES OF APRIL 19, 2013**

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**MEMBERS PRESENT:** Colleen Kenny, Catherine Zaring, Ed Bradford, Doug Parkes, Mitch Deisch

**MEMBERS ABSENT:** Steve Brower

**OTHERS PRESENT:** City Attorney George Saylor

**OLD BUSINESS**

*Aztec Update* – Distributed Account Detail Report as of March 31, 2013. Royalties are a little below budgeted amounts.

**NEW BUSINESS**

*Minutes* - Minutes from the January 18, 2013 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 March 31, 2013. Information in the report includes Market Outlook, Comparison of Indices, Stock Earnings Yield Versus Bond Yield, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance. At their meeting of March 19, 2013 City Council took action to ratify changes to the Oil and Gas Investment Policy and Spending Rule as recommended by the Oil and Gas Board; this was reflected in the report. Bartlett noted no exceptions or anything unusual in the report. Questions and comments by Board members and responded to by Bartlett representatives. Next draw is not anticipated until after budget adoption and the new fiscal year begins.

*Discussion on Internal Loans.* Board discussed a memo received from Finance Director Ed Bradford regarding internal loans in the Water and Sewer Fund and a request to replace these loans from another source. City Attorney questioned Charter provisions that prohibit loans of the fund principal. Charter language and past attorney opinions were reviewed. This request would not be a loan from the principal, rather from investment earnings and would be paid back with 2% interest to the Oil and Gas Fund.

**MOTION** by Ed Bradford, second by Doug Parkes to authorize a loan from the Oil and Gas Fund investment earnings to cover the internal loans made from the Water and Sewer Fund to finance the Arthur Street boat launch upgrades and the Marina building replacement; with an interest rate of 2% for the respective balances of \$118,539 and \$249,851. The Oil and Gas Fund will receive all principal and interest payments. All voted in favor – motion carried.

*Discussion on Proposed Water & Sewer Utility Contribution.* Board discussed a memo received from Finance Director Ed Bradford regarding a proposed contribution to the Water and Sewer Fund. Council has discussed financial challenges in the Water and Sewer Fund on several occasions. Council and staff have tried to be proactive on water and sewer rates and see the value in keeping rates down for the consumer.

**MOTION** by Doug Parkes, second by Ed Bradford to authorize a \$125,000 contribution from the Oil and Gas Fund investment earnings to the Water and Sewer Fund; in addition to the annual 4% spending rule; to help offset the increase in water and sewer rates from 15% to 10% in the 2013-2014 Budget. All voted in favor – Motion carried.

Staff will be clear to Council that if they approve the budget as written; they will be authorizing this contribution.

**COMMUNICATIONS**

Discussion on Bartlett investment services. Bartlett has been managing the fund for approximately four years now. Staff and the Oil and Gas Board expressed their satisfaction with the services being provided. Bartlett has met or exceeded all of the benchmarks.

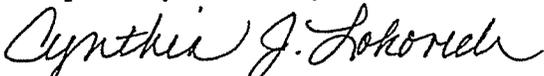
**PUBLIC COMMENTS**

None

**ADJOURNMENT / NEXT MEETING**

Next regular meeting is scheduled for Friday, August 16, 2013 at 12 p.m. in the Second Floor Conference Room, City Hall. **MOTION** by Doug Parkes, second by Catherine Zaring to adjourn at 12:10 p.m.

Respectfully submitted,

  
Cynthia Lokovich, Recording Secretary

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



## OIL AND GAS INVESTMENT BOARD BYLAWS

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**Section 1. Name and Establishment.** The City of Manistee, by Ordinance duly adopted has established an Oil and Gas Investment Board for the purpose of segregating, preserving and investing all oil, gas and related hydrocarbon royalty income to the City of Manistee. The name of this Board shall be the **OIL AND GAS INVESTMENT BOARD** of the City of Manistee.

**Section 2. Oil and Gas Investment Board.** There is hereby created an Oil and Gas Investment Board who is vested with the general administration, management and responsibility for the investment of oil and gas revenues to the City of Manistee.

The Oil and Gas Investment Board shall consist of five members, as follows:

- (A) Mayor - The Mayor of the City of Manistee shall automatically be a member of and Chair of the Oil and Gas Investment Board.
- (B) The Mayor shall, with the approval of the City Council, appoint two either elected or appointed officials of the City of Manistee, for two (2) year terms.
- (C) The Mayor shall, with the approval of the City Council, appoint two members, not elected or appointed City Officials, to four (4) year staggered terms.
- (D) Vacancy - Any vacancy occurring on the Oil and Gas Investment Board shall be filled as provided in Sections (A), (B) and (C) above stated.
- (E) The City Manager shall be a non-voting Ex-Officio member of the Oil and Gas Investment Board.
- (F) The City Attorney shall act as Legal Counsel for the Oil and Gas Investment Board.

**Section 3. Regular Meetings.** Regular meetings of the Oil and Gas Investment Board shall be held from time to time to evaluate the funds' investments. In no event shall there be less than four (4) meetings per year.

That Regular meeting shall be held in City Hall or such place as shall be affirmatively designated by the Chair of the Oil and Gas Investment Board. Meeting times and locations shall be posted and open to the public with time set aside at each meeting to receive public comment. All actions taken by the Board shall be recorded by the Secretary and filed with the Manistee City Clerk. All meetings and Board business shall comply with the Open Meetings Act of the State of Michigan. Meetings can be cancelled by the Chair, if there are no agenda items, or if it is predetermined that a quorum will not be present.

**Section 4. Special Meetings.** Special meetings of the Oil and Gas Investment Board may be called by or at the request of the Chair or any two members. Meetings shall be held after due notice to all members.

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**Section 5. Quorum.** A majority of the number of voting members shall constitute a quorum for the transaction of business at any meeting of the Oil and Gas Investment Board. The acts of the majority of the members present at the meeting at which a quorum is present shall be the act of the Oil and Gas Investment Board.

**Section 6. Officers, Vacancies, Removal.**

The Mayor is automatically the Chair. The City Finance Director is automatically the Vice-Chair, if a member of the Board. If the Finance Director is not a member of the board, then a Vice-Chair shall be selected annually from among the remaining members and shall act as Chair during absences. Recording Secretary services will be provided by the Executive Secretary in the City Manager's Office.

Vacancies shall be filled for unexpired terms in the same manner as original appointments. A member may be removed from office by the City Council for neglect of official duty or misconduct in office. A written statement to the member giving reasons for the recommended removal and an opportunity to be heard must be given prior to the request for Council removal.

In order to maintain the maximum participation of all appointed Oil and Gas Investment Board members at all scheduled meetings, the following is the attendance guide and Board member replacement policy for "excused" or "unexcused" absences:

1. When appointed, each Board member should state his/her willingness and intention to attend each scheduled meeting of the Oil and Gas Investment Board.
2. In the event of unplanned personal matters, business trips, family vacation trips, changed job requirements, sickness, or other physical disabilities that prohibit the Board member from attending the scheduled meeting; the Board Chair or staff liaison to the Oil and Gas Investment Board should be notified as soon as possible prior to the time of the scheduled meeting of their inability to attend. The Board member upon this notification will receive an "excused absence" for the involved scheduled meeting.
3. If any Board member is absent from three (3) consecutive scheduled meetings without an "excused absence" for any of the three (3) meetings, the Board member shall be reported in writing to the City Manager. The City Manager will contact the Board member in writing and question his/her continued ability or interest in being on the Board, giving the member a chance to rectify the attendance issue or submit a resignation.
4. There will be no limit on the number of consecutive "excused absences" for any Board member. However, if the Board member is repeatedly absent for at least 50% of the yearly scheduled meetings, that member will also be reported in writing to the City Manager. The City Manager will contact the Board member in writing and question the member's continued ability or interest to be on the Board. The Board member will be considered for appointment nullification when the absences total six in the calendar year.
5. The appointment nullification action would be initiated by the City Manager and forwarded on to the City Council for official action.

**Section 7. Compensation.** Members of the Oil and Gas Investment Board may be reimbursed for their actual expenditures made on behalf of the Oil and Gas Investment Board and properly submitted in due form to the Chair of the Oil and Gas Investment Board.

**Section 8. Powers of the Oil and Gas Investment Board.**

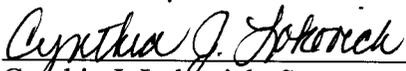
- (A) The Oil and Gas Investment Board shall be charged with the duty of investing the funds of the Oil and Gas Fund according to the City Investment Policy.
- (B) The Oil and Gas Investment Board shall appoint a Trustee for investment purposes as prescribed by Ordinance.
- (C) The Trustee named shall have no authority except to carry out the directions of the Oil and Gas Investment Board as transmitted to him by a duly appointed representative of the Board.
- (D) The Finance Director shall report to the Oil and Gas Investment Board at its regular meetings, the current status of the principal and income of the Investment Fund.
- (E) The Oil and Gas Investment Board may employ such professional and clerical services, including investment advisors, as are required to achieve the goals of the Oil and Gas Fund.

**Section 9. Conflict of Interest.** In the event that business being carried out by the Board may have a personal or financial impact on a member of the Board or their immediate family, or any corporation or business of which a Board Member is an officer or director, the member must disclose the conflict of interest and refrain from voting on that particular business. If any question of whether or not a conflict exists cannot be determined by the Board, then the matter of the question shall immediately be referred in writing to the Manistee City Attorney for consultation and recommendation.

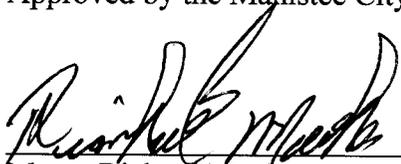
**Section 10. Parliamentary Procedure.** Parliamentary procedure in meetings, when needed, shall be governed by Robert's Rules of Order.

**Section 11. Amendment.** Bylaws shall be reviewed annually during the first meeting of the year. All changes or amendments to the Bylaws must be approved by the majority of the Board. Such changes or amendments must be presented to the Board in writing for consideration. Upon approval by the Board, the Bylaws, showing the proposed amendment, shall be submitted to the Manistee City Council for final approval.

*The foregoing Bylaws were duly adopted at a regular meeting of the Oil and Gas Investment Board held December 7, 1981; amended January 21, 1988; amended July 25, 1990; amended June 17, 2002; amended February 15, 2006; amended April 17, 2007; amended January 19, 2010; amended April 19, 2011.*

 4/19/11  
\_\_\_\_\_  
Cynthia J. Lokovich, Secretary      Dated  
Oil and Gas Investment Board

Approved by the Manistee City Council:

 5/2/11  
\_\_\_\_\_  
Mayor Richard Mack      Dated

## Oil and Gas Investment Board Roster

NAME	PHONE	ADDRESS	TERM	E-MAIL
Colleen Kenny <i>Chair / Mayor</i>	723-1437 (w) 723-5398 (h)	586 Eighth Street Manistee MI 49660	Mayor 12/15	<a href="mailto:ckenny@manisteemi.gov">ckenny@manisteemi.gov</a>
Eric Gustad <i>Council Representative</i>	920-6012 (h) 398-3847 (w)	1014 Engelmann Street Manistee MI 49660	12/16	<a href="mailto:egustad@manisteemi.gov">egustad@manisteemi.gov</a>
Ed Bradford <i>Vice-Chair / Trustee</i>	398-2804 (w)	City Hall	12/16	<a href="mailto:ebradford@manisteemi.gov">ebradford@manisteemi.gov</a>
Steve Brower	723-5900 (w) 723-6187 (h)	4102 College Avenue Manistee MI 49660	6/30/18	<a href="mailto:steveb@westshorebank.com">steveb@westshorebank.com</a>
Doug Parkes	690-2225 (m) 723-8687 (h)	724 Harbor Drive Manistee MI 49660	6/30/16	<a href="mailto:dougaparkes@hotmail.com">dougaparkes@hotmail.com</a>
Mitch Deisch <i>Ex-Officio (Non-Voting)</i>	398-2801 (w)	City Hall		<a href="mailto:mdeisch@manisteemi.gov">mdeisch@manisteemi.gov</a>
George Saylor <i>City Attorney</i>	723-8333	414 Water Street Manistee MI 49660		<a href="mailto:gsaylor@mmbjlaw.com">gsaylor@mmbjlaw.com</a>
Cindy Lokovich <i>Recording Secretary</i>	398-2801	City Hall		<a href="mailto:clokovich@manisteemi.gov">clokovich@manisteemi.gov</a>

Updated: December 17, 2014