CITY OF MANISTEE
OIL AND GAS INVESTMENT BOARD
MEETING OF APRIL 26, 2019

There will be a meeting of the Oil and Gas Investment Board held on Friday, April 26, 2019 at 12:00 p.m. in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660.

AGENDA

I. ROLL CALL.

a.) Oath of Office

II. OLD BUSINESS.

a.) Aztec Producing / Royalties:
January 2019 - $5,743
February 2019 - $3,848
March 2019 - $3,632

III. NEW BUSINESS.

a.) Approval of Minutes from January 15, 2019

b.) Investment Advisor Update and Commentary

c.) Other

IV. PUBLIC COMMENT.

VI. ADJOURN.

c. Roger Zielinski, Chair
Erin Martin Pontiac, Council Representative
Ed Bradford, Vice-Chair
Doug Parkes
Jeff Reau
Thad Taylor, City Manager
George Saylor, City Attorney
Woody Uible, Investment Advisor

OIL AND GAS INVESTMENT BOARD
MINUTES OF JANUARY 15, 2019

The City of Manistee Oil and Gas Investment Board held a regular meeting on Tuesday, January 15, 2019 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by Chair Roger Zielinski at 12:00 p.m.

MEMBERS PRESENT: Ed Bradford, Roger Zielinski, Jeff Reau, Thad Taylor

MEMBERS ABSENT: Erin Martin Pontiac, Doug Parkes

OTHERS PRESENT: None

OLD BUSINESS

Aztec Well Update – Wells are continuing to produce; royalties received for October - $7,133.50 and November - $7,062.42.

NEW BUSINESS

Minutes - Minutes from the October 19, 2018 meeting were reviewed. **MOTION** by Jeff Reau, 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 December 31, 2018. Discussion items:

- Market Assessment – Reviewed positive trends and areas of caution. Does not foresee economic recession in the near term. Challenges ahead due to higher inflation and rising interest rates.
- U.S. leading economic indicators are still favorable.
- Short term rates are rising, so are the risks.
- U.S. economic cycles reviewed.
- International equities underperformed U.S. equities.
- Fears of a trade war impacts financial markets. U.S. is in a solid position over the long term.
- Indicators of bull market top are beginning to appear.
- Asset Allocation reviewed.
- Risk Management – Portfolio is diversified and conservative.
- Equity Sector Allocation reviewed.
- Portfolio Performance – Reviewed the portfolio, down 1.1% in 2018 but outperformed benchmark. US market outperformed international market. Reduce exposure as we move forward.

Annual Spending Rule Calculation – Discussed the annual spending rule calculation. Fund needs to be stable to support capital improvement projects.

MOTION by Ed Bradford, second by Jeff Reau to approve the annual spending rule calculation as of December 31, 2018 for the fiscal year budget 2019-2020; using the 4% spending rule in the amount of $401,647. Voice vote – motion carried.

Annual Review of Bylaws – **MOTION** by Jeff Reau, second by Ed Bradford to accept the bylaws as presented; no changes are required. Voice vote – motion carried.

Annual Review of Member Roster – **MOTION** by Ed Bradford, second by Jeff Reau to accept the member roster as amended. Voice vote – motion carried.

PUBLIC COMMENTS

None.

NEXT MEETING / ADJOURNMENT

Next regular meeting is scheduled for Friday, April 26, 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.

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