

## OIL AND GAS INVESTMENT BOARD MINUTES OF AUGUST 15, 2014

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, August 15, 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 12:08 p.m.

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

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Bartlett Representatives Woody Uible and Troy Snider, Marilyn Benson of 73 Brookharbor

<b>OLD BUSINESS</b>
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None.

<b>NEW BUSINESS</b>
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*Minutes* - Minutes from the April 25, 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.

It was noted that the City Attorney is working on the Memorandum of Understanding for the internal loans as requested by Motion in the minutes from April 25, 2014.

*Investment Advisor Update and Commentary* – Woody Uible and Troy Snider presented the Investment Update as of June 30, 2014. Information in the report includes Market Outlook, Fed Watch/Global Impacts, Stock Prices Back to 1950s, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance. Questions and comments by board members were responded to.

City Manager Mitch Deisch left the meeting at 12:25 p.m.

Bradford noted that the Board should be mindful that we have had a good run. Bartlett will be moving to lessen fund risks, looking at more Treasury Bonds versus Corporate Bonds. Rebalancing the portfolio is their philosophy on profits.

*Oil and Gas History.* Finance Director Ed Bradford reviewed his memorandum dated July 17, 2014 regarding oil and gas fund history and his memorandum dated July 18, 2014 regarding using \$3,000,000 from the Oil and Gas Fund for street improvements. The Oil and Gas Fund has come under discussion by citizens and the Ad Hoc Street Committee. These documents were

prepared for and reviewed by the Ad Hoc Street Committee earlier this week. The Oil and Gas Investment Board has been charged with overseeing this fund for many years. The Oil and Gas Investment Board and past City Councils have been consistent in managing the fund to preserve for future generations.

Discussed the risks involved in increasing the Spending Rule Policy or the withdrawal of funds for street improvement projects. Mr. Uible noted that most endowment funds have moved or are moving to a 4% spending rule to preserve purchasing power over the long term. Manistee's spending rule is set at 4%. Anything over 4% would take away from future generations.

Finance Director Ed Bradford will work with the City Attorney and Bartlett 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. A draft will be forwarded for review and considered at a future meeting.

#### COMMUNICATIONS

None.

#### PUBLIC COMMENTS

Marilyn Benson – Enjoyed the investment review, has worked with investment groups in the past and found this discussion very interesting.

#### ADJOURNMENT / NEXT MEETING

Next regular meeting is scheduled for Friday, October 10, 2014 at 12 p.m. in the Second Floor Conference Room, City Hall.

Motion to adjourn by Steve Brower, second by Doug Parkes at 1:25 p.m.



Cynthia Lokovich, CAP-OM  
Recording Secretary

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