

**CITY OF MANISTEE
OIL AND GAS INVESTMENT BOARD
MEETING OF APRIL 16, 2021**

There will be a virtual meeting of the Oil and Gas Investment Board held on Friday, April 16, 2021 at 12:00 p.m.

Join Zoom Meeting:

<https://us02web.zoom.us/j/85826591621?pwd=eTlBaStxaGZLL2ZCVIRsemkzTWRTZz09>

To Attend Meeting by Phone:

+1 646 558 8656

Meeting ID: 858 2659 1621

Passcode: 606516

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AGENDA

I. ROLL CALL.

II. OLD BUSINESS.

- a.) Aztec Producing / Royalties:
 - January 2021 - \$ 0
 - February 2021 - \$ 3859.05
 - March 2021 - \$ 2923.41

III. NEW BUSINESS.

- a.) Approval of Minutes from January 15, 2021
- 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, 2021

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, January 15, 2021 via ZOOM. Meeting was called to order by the Chair at 12:03 p.m.

MEMBERS PRESENT: Roger Zielinski, Doug Parkes (12:16 p.m.), Thad Taylor, Erin Martin Pontiac, Ed Bradford

MEMBERS ABSENT: Jeff Reau, George Saylor

OTHERS PRESENT: Woody Uible, Troy Snider

OLD BUSINESS

2020 Aztec Well Update – Royalties for January: \$3,777.10; February \$3,513.18; March: \$3,808.73; April: \$2,246.77; May: \$0.00; June: \$869.64; July: \$566.96; August: \$3,069.75; September: \$4,207.07; October: \$0.00; November: \$2,263.24; December \$2,194.47.

NEW BUSINESS

Minutes - Minutes from the October 16, 2020 meeting were reviewed. **MOTION** by Erin Martin Pontiac, second by Ed Bradford to accept the minutes as presented. No discussion. With Roll Call this motion passed 3 to 0.

Yes: Roger Zielinski, Erin Martin Pontiac, Ed Bradford

No: None

Investment Advisor Update and Commentary – Woody Uible and Troy Snider present the Investment Update as of December 31, 2020. Discussion items:

- Market Assessment – capital markets have stabilized but economic recovery uncertainties linger. Portfolio safeguards remain in place for protection and to capitalize on the volatility with high quality investments for long-term growth.
- Interest rates are among lowest they have ever been – support for stock and bond prices.
- Future tax policies will not be business friendly due to high debt.
- 2020 recession in practice but not technically, per the National Bureau of Economic Research criteria.
- Treasury rates decreased since the end of 2019.
- Concentrated market – 5 largest companies are close to 25% market value of public stock.

- No correlation shown between political party in power and performance of stock market.
- Asset allocation investments close to target of investment policy statement.
- Fixed income portfolio yields have come down in the past year or so.
- Defensive tilt to portfolio.
- Discussed portfolio performance and prospects for returns in the future.

Annual Spending Rule Calculation – Discussed the annual spending rule calculation. The annual spending rate needs to take into account projected investment returns and inflation to maintain the purchasing power of the fund and make it sustainable over the long term for future citizens of Manistee. Yields over the next 10 years will likely not look as good as they have during the past 10 years. Without adjustments, this could begin to erode purchasing power. A 3.5% spending rule would be recommended with these considerations in mind.

MOTION by Ed Bradford, second by Erin Martin Pontiac to recommend to City Council to change the annual spending rule calculation by phasing in a decrease from 4.0% to 3.5% over two years. The December 31, 2020 calculation for fiscal year 2021-2022 would use a 3.75% spending rule; and the December 31, 2021 calculation for fiscal year 2022-2023 and beyond would use a 3.5% spending rule.

With Roll Call this motion passed 4 to 0.

Yes: Roger Zielinski, Doug Parkes, Erin Martin Pontiac, Ed Bradford

No: None

Ed Bradford will write up recommendation to present to City Council at a future City Council meeting.

Annual Review of Bylaws – **MOTION** by Doug Parkes, second by Ed Bradford to accept the bylaws as presented; no changes are required.

With Roll Call this motion passed 4 to 0.

Yes: Roger Zielinski, Doug Parkes, Erin Martin Pontiac, Ed Bradford

No: None

Annual Review of Member Roster – **MOTION** by Erin Martin Pontiac, second by Doug Parkes to accept the member roster as presented; no changes are required.

With Roll Call this motion passed 4 to 0.

Yes: Roger Zielinski, Doug Parkes, Erin Martin Pontiac, Ed Bradford

No: None

PUBLIC COMMENTS

None.

NEXT MEETING / ADJOURNMENT

Next regular meeting is scheduled for Friday, April 16, 2021 at 12:00 p.m.

Call of the Chair to adjourn at 12:44 p.m.

DRAFT - km

Kelly McColl

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