

BAY COUNTY RETIREMENT BOARD OF TRUSTEES
 AGENDA
 TUESDAY, FEBRUARY 9, 2016 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	I. CALL TO ORDER
	II. ROLL CALL
	III. MINUTES
1 - 9	A. JANUARY 12, 2016
	IV. PUBLIC INPUT
	V. PETITIONS & COMMUNICATIONS
	A. THE BOGDAHN GROUP- HOWARD POHL & PETER BROWN 4 TH QUARTER REPORT
10 - 11	1. FOURTH QUARTER REPORT
	2. TRANSITION MANAGEMENT AGREEMENT CAPIS RES NO. 2016-4
12 - 15	3. FEE AMENDMENT MFS RES NO. 2016 - 7
16 - 18	B. MONTHLY REPORTS - RES NO. 2016-3
	1. PORTFOLIO VALUE - 1/1/16 - 1/31/16
	2. CHANGE IN BOOK AND MARKET VALUE - 12/31/15
	3. MONEY MANAGERS ON WATCH - (EFFECTIVE DATE)
	a. NONE
19 - 78	4. MONEY MANAGER REPORTS
	a. CORNERSTONE - ENDING 12/31/15 & 4 th QTR REPORT 12/31/15
	b. EAGLE ASSET MGMT - ENDING 12/31/15
	c. GENEVA HENDERSON - ENDING 12/31/15 AND PROXY 4 TH QTR REPORT 12/31/15
	d. HOTCHKIS & WILEY - ENDING 12/31/15 and 4 TH QTR PROXY REPORT
	e. INTEGRITY - ENDING 12/31/15
	f. LOOMIS SAYLES - ENDING 12/31/16
	g. MACKAY SHIELDS - ENDING 12/31/15
	h. MFS INVESTMENT - ENDING 12/31/15 AND PROXY 4 TH QTR REPORT 12/31/15
	i. MFS HERITAGE TRUST - ENDING 12/31/15 AND PROXY 4 TH QTR VOTE REPORT

BAY COUNTY RETIREMENT BOARD OF TRUSTEES
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 TUESDAY, FEBRUARY 9, 2016 @ 1:30 P.M.
 COMMISSIONERS CHAMBERS
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 BAY CITY, MI 48708

- 79 - 81 5. RECAPTURE SERVICES
 - a. ABEL/NOSER - SUMMARY ENDING 12/31/15
 - b. CAPIS - SUMMARY ENDING 12/31/15

- 82 - 87 6. NORTHERN TRUST
 - a. SUMMARY EARNINGS - ENDING

- 88 7. REFUNDS/RETIREMENTS ENDING

- 89 - 94 8. BCERS YTD BUDGET REPORT - ENDING

- 95 9. INVOICES APPROVED - 1/31/16

- 96 - 97 C. RFP AUTHORIZATION FOR MEDICAL DIRECTOR RES NO. 2016-5

- 98 D. NON-DUTY DISABILITY RETIREMENT (RES NO. 2015-6) (RESOLUTION TO BE PROVIDED AT THE MEETING)
 - 1. TERESA WILBERT - SHERIFF DEPT (CLOSED SESSION)

Motion: To go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or disclosure by state or federal statute.

- 99 - 104 E. CORRESPONDENCE - COMMISION RECAPTURE LETTERS
 - 1. COLUMBIA
 - 2. EAGLE
 - 3. HENDERSON GENEVA
 - 4. HOTCHKIS & WILEY
 - 5. INTEGRITY
 - 6. MFS INVESTMENT

VI. ANNOUNCEMENTS

- A. NEXT REGULAR MEETING - MARCH 8, 2016 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH FLOOR, BAY CITY, MI 48708.

- B. MAPERS ONE-DAY SEMINAR FRIDAY, MARCH 4, 2016 AT THE SOMERSET INN IN TROY, MICHIGAN (PLEASE CONTACT REBECCA IF YOU WISH TO ATTEND)

105 -106

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

BAY COUNTY RETIREMENT BOARD OF
TRUSTEES AGENDA
TUESDAY, JANUARY, 2016 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

- IX. MISCELLANEOUS BUSINESS
- X. ADJOURNMENT

**BAY COUNTY RETIREMENT BOARD
2/09/2016
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

RESOLVED By the Bay County Retirement Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/16 -1/31/16
2. CHANGE IN BOOK AND MARKET VALUE -12/31/15
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
 - a. CORNERSTONE - ENDING 12/31/15 & 4th QTR REPORT 12/31/15
 - b. EAGLE ASSET MGMT – 12/31/15
 - c. GENEVA HENDERSON - 12/31/15 AND 4TH QTR PROXY REPORT 12/31/15
 - d. HOTCHKIS & WILEY - ENDING 12/31/15 AND 4TH QTR PROXY REPORT 12/31/15
 - e. INTEGRITY – ENDING 12/31/15
 - f. LOOMIS SAYLES – ENDING 12/31/16
 - g. MACKAY SHIELDS – ENDING 12/31/15
 - h. MFS INVESTMENT - ENDING 12/31/15 AND 4TH QTR PROXY REPORT 12/31/15
 - i. MFS HERITAGE TRUST - ENDING 12/31/15 AND 4TH QTR PROXY REPORT 12/31/15
5. RECAPTURE SERVICES
 - a. ABEL/NOSER - SUMMARY ENDING 12/31/15
 - b. CAPIS - SUMMARY ENDING 12/31/15
6. NORTHERN TRUST SUMMARY EARNINGS -12/31/15
7. REFUNDS/RETIREMENTS –ENDING1/31/16
8. BCERS YTD BUDGET REPORT – ENDING 1/31/16
9. INVOICES APPROVED – 1/31/16

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS FEBRUARY

MOVED BY TRUSTEE Coonan

SUPPORTED BY TRUSTEE Pett

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			X	Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski			X	Matthew Pett	X		
Kristal Goetz	X			Ernie Krygier	X			Thomas Starkweather	X		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

BAY COUNTY RETIREMENT BOARD
2/09/16
RESOLUTION

- BY: BAY COUNTY RETIREMENT BOARD (2/09/16)
- WHEREAS, The use of a transition manager may lower the transaction costs associated with major manager or allocation changes
- WHEREAS, Currently, the Bay County Employees' Retirement System (BCERS) is engaged only with Northern Trust to provide transition management services, a service necessary when restructuring investments by terminating or reducing the asset allocations of certain investment managers.
- WHEREAS, Our consultants suggest that we engage with more than one management service which allows BCERS the ability to request proposals as to the methods, timing, estimated costs, etc. for future major manager or allocation changes.
- WHEREAS, Due to timing issues, our consultants also suggest that the Board give the Finance Officer the authority to request proposals on the Board's behalf and select an approved manager after their review. Therefore, Be It
- RESOLVED That this Board enter into a transition management agreement with CAPIS, Be It Further
- RESOLVED That the Finance Officer is authorized to request proposals, as needed, for major transitions, and Be It Further
- RESOLVED That the Finance Officer, after consultation with the Investment Consultant, is authorized to select which of the approved transition managers shall be utilized, Be It Finally
- RESOLVED That the Chairman of the Board is authorized to execute the agreement with CAPIS and all related documents on behalf of the Bay County Employees' Retirement System(BCERS) Board following review by Corporation Counsel. (Corrected from Original resolution typo stating Bay County Voluntary Employees' Beneficiary Association)

STEVE GRAY, CHAIR
AND BOARD

TRANSITION MANAGEMENT AGREEMENT CAPIS

MOVED BY TRUSTEE Coonan
SUPPORTED BY TRUSTEE Krygier

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			x	Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski			x	Matthew Pett	x		
Kristal Goetz	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:
 Roll Call: Yeas 7 Nays 0 Excused 2
 Voice: Yeas 7 Nays 0 Excused 2
 Disposition: Adopted X Defeated 0 Withdrawn 0
 Amended 0 Corrected X Referred 0

**BAY COUNTY RETIREMENT BOARD
02/09/16
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (02/09/16)

WHEREAS, The Retirement Board has expressed a desire to review its service providers (actuary, investment consultant, medical director, outside attorney and custodian bank) on a five year cycle, reviewing one each year. To date, the Retirement Board participated in an RFP process for actuarial services and investment consultant services. This year, the medical director services would be up for review through a request for proposal process.

WHEREAS, It has been many years, if it has ever occurred before, since services of the medical director have been bid out, it is unclear what financial impact this process could have.

WHEREAS, The tentative schedule for this process anticipates a July RFP release date.

WHEREAS, Given the amount of work that is required in reviewing the RFP materials and conducting the interviews, the sub-committee structure may work best. A subcommittee of four (4) members of the Retirement Board and three (3) staff members (Retirement Administrator, Secretary of the Board and Assistant Corporation Counsel) is proposed. Therefore, Be It

RESOLVED Resolved that this Board authorize permission to issue a competitive bid for medical director services utilizing a sub-committee of four Retirement Board Trustees and three staff members. Further Be It,

RESOLVED That the Board Chair is approved to sign any related documents after review and approval by Corporation Counsel.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION
MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Ernie Krygier				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn X _____
Amended _____ Corrected _____ Referred _____

BAY COUNTY RETIREMENT BOARD
02/09/16
RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD 02/09/16)

WHEREAS, An application for non-duty disability was received from Ms. Teresa Wilbert.

WHEREAS, All required documents have been filed with the Retirement Office.

WHEREAS, Bay County Medical Director, Dr. Kirk Herrick, D.O. has reviewed all medical records and other pertinent information regarding this application.

WHEREAS, It is Dr. Herrick's professional opinion that Ms. Wilbert is no longer able to perform the duties of her occupation.

RESOLVED That this Board approve this non-duty disability application.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION NON-DUTY DISABILITY WILBERT

MOVED BY TRUSTEE Morse

SUPPORTED BY TRUSTEE Pett

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			X	Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski			X	Matthew Pett	X		
Kristal Goetz	X			Ernie Krygier	X			Thomas Starkweather	X		

Vote Totals:
Roll Call: Yeas 7 Nays 0 Excused 2
Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted X Defeated _____ Withdrawn _____
Amended _____ Corrected _____ Referred _____

**BAY COUNTY RETIREMENT BOARD
02/09/16
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD 02/09/16)

WHEREAS, MFS Institutional Advisors (MFS) is a money manager for the Bay County Employees' Retirement System (BCERS). MFS also entered into a contract with the Bay County Voluntary Employees' Beneficiary Association (VEBA) December 17, 2015.

WHEREAS, In order to lower costs associated with management fees, MFS has amended its agreement to combine the market values of the VEBA and BCERS MFS accounts, thereby, providing better opportunity to reach break points in the MFS fee schedule. Therefore, Be It

RESOLVED That this Board grant approval to the Chairman of the Board sign an amended fee agreement after review by Corporation Counsel.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION MFS INVESTMENT ADVISORY AGREEMENT AMENDMENT

MOVED BY TRUSTEE Coonan

SUPPORTED BY TRUSTEE Goetz

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			x	Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski			x	Matthew Pett	x		
Kristal Goetz	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted x Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY RETIREMENT BOARD
2/9/16
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (2/9/16)
 WHEREAS, The Bay Medical Care Facility (BCMCF) participates in the Bay County Employees' Retirement System (BCERS). BCMCF has negotiated with the USW Local #15301 & 15301-01 and their General group and mutually agreed to changes for newly hired employees to change retirement provisions to the following:

1. Years of service to vest: 10
2. Retirement Eligibility (normal): ROA/30 and 60/10
3. Retirement Eligibility (early): 55/10
4. Retirement Eligibility (deferred): 10 years of service
5. Employees will contribute 4.0% of gross compensation to pension.
6. Multiplier: 1.75%.
7. Lump sum payouts from FAC limited to 50%.
8. FAC: Highest 5 years of service
9. Cap benefit at 75%
10. Minimum hours work to be included in pension plan: 1000 hours.
11. Disability Retirement Vesting: 10 years: Therefore, Be It

RESOLVED That the Bay County Employees' Retirement System Board of Trustees receive the attached Supplemental Actuarial Analysis.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION - SUPPLEMENTAL ACTUARIAL ANALYSIS BCMCF RETIREMENT ORDINANCE AMENDMENT

MOVED BY TRUSTEE Pett

SUPPORTED BY TRUSTEE Morse

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	x			Matthew Pett	x			Ernie Krygier	x		
Richard Brzezinski			x	Jon Morse	x			Richard Gromaski			x
Kim Coonan	x			Thomas Starkweather	x			Kristal Goetz	x		

Vote Totals:

Roll Call: Yeas 7 Nays 0 Excused 2
 Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted x Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: February 9, 2016

MOTION MOVED BY: Krygier

MOTION SUPPORTED BY: Morse

MOTION NO.: 13

Moved, supported and carried to excuse Trustees Brzezinski and Gromaski.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			x	Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski			x	Matthew Pett	x		
Kristal Goetz	x			Ernie Krygier	x			Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES

MEETING DATE: February 9, 2016

MOTION MOVED BY: Coonan

MOTION SUPPORTED BY: Pett

MOTION NO.: 14

Moved, supported and carried to approve the minutes, as printed,
from the January 12, 2016 meeting.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			X	Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski			X	Matthew Pett	X		
Kristal Goetz	X			Ernie Krygier				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES

MEETING DATE: February 9, 2016

MOTION MOVED BY: Pett

MOTION SUPPORTED BY: Morse

MOTION NO.: 15

Moved, supported and carried to receive the 4th quarter report from Bogdahn.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			X	Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski			X	Matthew Pett	X		
Kristal Goetz	X			Ernie Krygier	X			Thomas Starkweather	X		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES

MEETING DATE: February 9, 2016

MOTION MOVED BY: Coonan

MOTION SUPPORTED BY: Krygier

MOTION NO.: 16

MOTION 16: Moved, supported and carried To go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or disclosure by state or federal statute.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			x	Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski			x	Matthew Pett	x		
Kristal Goetz	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas 7 Nays 0 Excused 2

Voice: Yeas Nays Excused

Disposition: Adopted x Defeated Withdrawn

Amended Corrected Referred

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: February 9, 2016

MOTION MOVED BY: Morse

MOTION SUPPORTED BY: Krygier

MOTION NO.: 17

MOTION 17: Moved, supported and carried to receive correspondence to Columbia, Eagle, Henderson Geneva, Hotchkis & Wiley, Integrity, and MFS regarding commission recapture.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			x	Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski			x	Matthew Pett	x		
Kristal Goetz	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: February 9, 2016

MOTION MOVED BY: Krygier

MOTION SUPPORTED BY: Coonan

MOTION NO.: 18

MOTION 18: Moved, supported and carried to adjourn the meeting at 2:28 p.m.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			X	Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski			X	Matthew Pett	X		
Kristal Goetz	X			Ernie Krygier	X			Thomas Starkweather	X		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____