

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, NOVEMBER 10, 2015

(Immediately Following the Retirement Board of Trustees' Meeting @ Approximately 2:30 P.M.)

COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	
	I. CALL TO ORDER
	II. ROLL CALL
1 - 5	III. MINUTES
	1. OCTOBER 13, 2015
	IV. PUBLIC INPUT
	A. THE BOGDAHN GROUP THIRD QTR REPORT
	B. MONTHLY REPORTS - Res No. 2015 -16
6 - 8	1. PORTFOLIO VALUE 1/01/15 - 9/30/15
	2. CHANGE IN BOOK AND MARKET VALUE - 9/30/15
9 - 26	3. MONEY MANAGER REPORTS
	a. ATALANTA SOSNOFF - PORTFOLIO ENDING 9/30/15
	b. C.S. MCKEE - PORTFOLIO ENDING 9/30/15
	4. RECAPTURE SERVICES
27	a. CAPIS ENDING 9/30/15
28 - 31	5. VEBA YTD BUDGET REPORT ENDING 10/31/15
32	6. INVOICES APPROVED - 10/31/15
33	C. TRANSITION MANAGEMENT AGREEMENT Res. No 2015-17
34 - 35	D. 2016 SPEAKER SCHEDULE Res No. 2015-15
	V. ANNOUNCEMENTS
	A. NEXT REGULAR MEETING - TUESDAY, DECEMBER 8, 2015 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 TH FLOOR, BAY CITY, MI 48708
	VI. UNFINISHED BUSINESS
	VII. NEW BUSINESS
	VIII. MISCELLANEOUS BUSINESS
	IX. ADJOURNMENT

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
OCTOBER 13, 2015 MINUTES VEBA

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NOTE: In addition to these typed minutes, this Board meeting was also taped. These tapes are available for review in the Retirement Office.

The meeting of the Board of Trustees was held on October 13, 2015 at 2:47 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

Trustees Present: Chairperson Gray, Mr. Brzezinski, Mr. Coonan, Ms. Goetz, Mr. Herek, Mr. Morse, Mr. Pett, and Mr. Starkweather.

Trustees Absent: Mr. Gromaski

Also Present:

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.

Finance Officer: Crystal Hebert

Retirement Administrator: Rebecca Marsters

Corporation Counsel: Shawna Walrhaven

Attorney: Thomas Michaud

The meeting was called to order by Chairman, Steve Gray at 2:57 p.m.

MOTION 42: Moved, supported and carried to approve the minutes, as printed, from the September 8, 2015 regular meeting.

Mr. Gray called for public input. As there was no public input, he moved onto petitions and communications.

RES. No: 2015-14:

Moved, supported and carried to adopt resolution 2015-14 to receive the monthly reports Portfolio Value ending 9/30/15, Monthly Change in Book and Market Value ending 8/31/15 and 7/31/15 revised, C.S. McKee performance report ending 8/31/15, Capis Recapture services ending 8/31/15, VEBA YTD Budget Report ending 9/30/15, and Invoices approved Report ending 9/30/15.

Mr. Pohl of The Bogdahn Group spoke regarding the Money Manager Search follow-up. He distributed copies of a presentation for large-cap growth. At the last meeting they had the discussion of Atalanta Sosnoff. They were asked to look at potential candidates to replace them. They are a large cap, growth-oriented manager. He stated when they got back to the office and started working on candidates to potentially replace Atalanta and their research department wanted to utilize MFS. Mr. Pohl distributed a handout to the Board discussing the large-cap growth strategy. He stated the reason he only shows one here is this is the exact same strategy that the Board went through and selected in the employees retirement system to get a large-cap growth manager 2+ years ago. He stated as a result of discussions with their research department, it was his thought that it would be beneficial to the

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
OCTOBER 13, 2015 MINUTES VEBA

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Board and the VEBA account and from administrative standpoint to utilize the same manager for VEBA as is being utilized in the employees Retirement System. In addition, he stated that as of June 30, there was a balance of \$9.8 million in the portfolio and MFS agreed to run this portfolio for VEBA for the exact same fee as the Pension fund which is 57 basis points. When they looked at all the other candidates they were anywhere from 10 to 30 basis points more. In addition, MFS offered to combine values of the VEBA and the Pension Fund for fee break purposes. So given the combined assets he believed over \$50 million between the two plans for lower fees as well. He stated they are good firm. If you look at the report that was handed out, the top half after the cover page is a discussion of their investment policy which is large-cap growth. In addition, the process is fundamental and bottom-up approach. MFS's growth equity would be a good fit in the large-cap growth manager given its diversified market data profile and strategy correlates well with classic value strategy. He believed it would be perfect for this fund because you have Dodge and Cox a large-cap value manager in the VEBA and this would match up perfectly with that. He went over the performance statistics of MFS and also showing Atalanta. MFS is Bogdahn's suggestion to save administrative time and the Board's time of interviewing managers as they are a perfectly excellent candidate.

Trustees questioned whether or not they were going to consider any other candidates.

Mr. Pohl stated they had several candidates: Wells, Winslow, Alger. Mr. Brown stated fees for the others range anywhere from the lowest being 65 basis points to all the way up to over 85 basis points. Those were considerable change from MFS at 57 points. He stated they would be happy to bring other candidates next month if the Board wished.

MOTION 43: Moved, supported to approve MFS as a replacement money manager. (MOTION FAILED ON ROLL CALL VOTE)

Roll Call Vote:

Brzezinski: No
Coonan: Yes
Goetz: No
Gray: No
Gromaski: No
Herek: No
Morse: No
Pett: No
Starkweather: Yes

Motion Fails.

Trustee Brzezinski suggested that Mr. Pohl bring his written comparisons to the Special meeting on October 22, 2015 for the Board to see the savings, one less money manager to deal with as well as the other advantages. He suggested

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
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this give them a higher comfort level for switching.

MOTION 44: Moved, supported and carried to have Bogdahn bring back some of the other finalists for comparison in a similar format at the next meeting.

Roll Call Vote:

Brzezinski: Yes.
Coonan: Yes.
Goetz: Yes
Gray: Yes
Gromaski:
Herek: Yes
Morse: Yes
Pett: Yes
Starkweather: Yes

Motion carries.

MOTION 45: Moved, supported and carried to approve a meeting of VEBA on October 22, 2015 following the Retirement Board meeting for the purposes of looking at the Large-cap growth money managers.

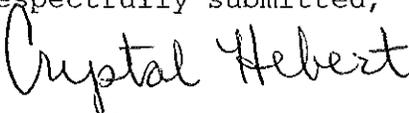
ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, November 10, 2015 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS: None
NEW BUSINESS: None
MISCELLANEOUS BUSINESS: None
ADJOURNMENT:

MOTION 46: Moved, supported and carried to adjourn the meeting at - 3:12 p.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE **VEBA BOARD OF TRUSTEES COMMITTEE**
OCTOBER 13, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH
 FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 2:57 P.M.

RESOLUTIONS

TRUSTEE	1	2	3	4	5	6	7	8	9	10
BRZEZINSKI	S-Y									
COONAN	Y									
GRAY	Y									
GROMASKI	E									
HEREK	Y									
MORSE	Y									
PETT	M-7									
STARKWEATHER	Y									
GOETZ	Y									

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

MEETING OF THE V.E.B.A. BOARD OF TRUSTEES COMMITTEE
OCTOBER 13, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIR STEVE GRAY AT 2:57 P.M.

Motions

TRUSTEE	42	43	44	45	46					
BRZEZINSKI	M-Y	N	M-Y	M-Y	Y					
COONAN	Y	M-Y	Y	Y	S-Y					
GOETZ	Y	N	Y	Y	Y					
GRAY	Y	N	Y	Y	Y					
GROMASKI	E	E	E	E	E					
HEREK	Y	N	Y	S-Y	M-Y					
MORSE	Y	N	Y	Y	Y					
PETT	S-Y	N	S-Y	Y	Y					
STARKWEATHER	Y	Y	Y	Y	Y					

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
11/10/2015
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD

RESOLVED By the Bay County Voluntary Employees' Beneficiary Association Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/15 - 10/31/15
2. CHANGE IN BOOK AND MARKET VALUE - 9/30/15
3. MONEY MANAGER REPORTS
 - a. ATALANTA SOSNOFF - ENDJNG -9/30/15
 - b. C.S. MCKEE - ENDING 9/30/15
4. RECAPTURES SERVICES
 - a. CAPIS - SUMMARY ENDING 9/30/15
5. REFUNDS/RETIREMENTS -ENDING 10/31/15
6. VEBA YTD BUDGET REPORT - ENDING 10/31/15
7. APPROVED EXPENSES - 10/31/15

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS

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				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

VEBA 2015	<u>DODGE & COX</u> <small>no vendor number. Mutual Fund Mgrs (as opposed to separately managed mgrs) deduct fee from portfolio.</small>	<u>CASH</u>	<u>ATALANTA</u> <u>SOSNOFF</u>	<u>LORD ABBOTT</u> <small>no vendor number. Mutual Fund Mgrs (as opposed to separately managed mgrs) deduct fee from portfolio.</small>	<u>CS MCKEE</u>	<u>TOTAL</u>
VENDOR #			1061		3509	
JAN	9,372,807.82	242,295.57	9,238,500.71	7,037,168.25	15,638,042.35	41,528,814.70
FEB	9,962,923.15	249,127.39	9,745,731.68	7,468,844.28	15,512,818.11	42,939,444.61
MARCH	9,503,389.19	127,069.94	9,346,981.59	7,533,533.53	16,301,909.64	42,812,883.89
APRIL	9,759,073.66	118,394.44	9,323,633.72	7,461,656.59	16,255,829.65	42,918,588.06
MAY	9,889,876.45	90,416.89	9,466,375.99	7,523,180.66	16,228,630.68	43,198,480.67
JUNE	9,746,608.25	94,887.29	9,387,431.67	7,523,180.66	16,098,961.56	42,851,069.43
JULY	9,856,782.12	122,254.13	9,694,347.47	7,541,149.89	16,187,962.71	43,402,496.32
AUG	9,171,435.83	155,594.49	9,045,038.09	7,175,026.45	16,188,549.01	41,735,643.87
SEPT	8,787,357.99	118,999.53	8,793,993.42	6,926,976.49	16,301,324.34	40,928,651.77
OCT	9,482,978.60	161,932.44	9,714,099.64	7,250,499.00	16,338,025.92	42,947,535.60
NOV						0.00
DEC						0.00

ATALANTA SOSNOFF LARGE CAP EQUITY

CS MCKEE FIXED INCOME

DODGE & COX LARGE CAP EQUITY

LORD ABBETT SMALL MID CAP EQUITY

	<u>DODGE & COX</u>	<u>ATALANTA</u> <u>SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>TOTAL</u>
2015					
1ST QTR		17,819.00		12,223.31	30,042.31
2ND QTR		17,525.00		12,078.61	29,603.61
3RD QTR					0.00
4TH QTR					0.00
		35,344.00		24,301.92	59,645.92

Portfolio Statement

SEP 15 '91 - SEP 15 '91

ACCOUNT NUMBER: 50YVEBA
 Account Name: BAY COUNTY VEA CONSOLIDATED

◆ Change in Book and Market Value

	Cost	Market value	For more information
Opening balance	36,750,948.74	41,735,643.87	
Miscellaneous Cash Receipts	439.13	439.13	See funding & disbursement summary
Sponsor Contributions	6,955.99	6,955.99	See funding & disbursement summary
Total receipts	7,395.12	7,395.12	See funding & disbursement summary
Income received	83,594.62	83,594.62	See income & expense summary, cash activity detail
Expenses paid	- 43,991.26	- 43,991.26	See income & expense summary
Unrealized gain/loss change	0.00	- 831,194.43	See asset summary
Realized gain/loss	- 15,806.48	- 15,806.48	See realized gain/loss summary
Accrued income change	- 6,991.26	- 6,991.26	See income & expense summary
Closing balance	36,775,149.48	40,928,650.18	

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ACCOUNT 49766 BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY
ASSOCIATION
MAXIMUM/STANDARD EQUITY: 100%
PM: 100% RUSSELL 1000 GROWTH + 1%

September 30, 2015

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The portfolio above should be compared to your custodial statement.

Atlanta Sosnoff

SUMMARY OF INVESTMENTS

	<u>COST</u>	<u>MARKET VALUE</u>	<u>% OF PORT.</u>	<u>EST. ANNUAL INCOME</u>	<u>CURRENT YIELD</u>
CASH AND EQUIVALENTS	309,266	309,266	3.5	606	0.20
COMMON STOCK	7,777,071	8,484,725	96.5	110,182	1.30
TOTAL PORTFOLIO	8,086,337	8,793,991	100.0	110,788	1.26

INDUSTRY ANALYSIS OF EQUITIES

	<u>MARKET VALUE</u>	<u>% OF EQUITY</u>	<u>EST. ANNUAL INCOME</u>	<u>CURRENT YIELD</u>
MATERIALS	223,660	2.6	8,862	3.96
INDUSTRIALS	1,021,858	12.0	22,912	2.24
CONSUMER DISCRETIONARY	1,435,323	16.9	14,090	0.98
CONSUMER STAPLES	302,165	3.6	4,226	1.40
HEALTH CARE	1,577,518	18.6	21,144	1.34
FINANCIALS	1,183,149	13.9	18,080	1.53
INFORMATION TECHNOLOGY	2,477,617	29.2	18,568	0.75
TELECOM SERVICES	184,121	2.2	0	0.00
ENERGY	79,316	0.9	2,300	2.90
TOTAL EQUITIES	8,484,725	100.0	110,182	1.30

The portfolio above should be compared to your custodial statement.

Atlanta Sosnoff

PORTFOLIO HOLDINGS

Quantity	Security	% of Total	Unit Cost	Market Price	Total Cost	Market Value	Unrealized Gain/Loss	Current YTM
CASH AND EQUIVALENTS								
	Accrued Dividends	0.1			6,391	6,391		0.00
	CASH	3.4			302,875	302,875		0.20
		3.5			309,266	309,266		0.20
COMMON STOCK								
MATERIALS								
5.275	DOW CHEM CO	2.5	49.23	42.40	259,678	223,660	-36,018	3.96
		2.5			259,678	223,660	-36,018	3.96
INDUSTRIALS								
1.950	BOEING CO	2.9	125.88	130.95	245,456	255,353	9,896	2.78
5.335	DELTA AIR LINES INC DEL COM NEW	2.7	43.91	44.87	233,824	238,933	5,108	1.20
2.725	HONEYWELL INTL INC	2.9	99.14	94.69	270,165	258,030	-12,134	2.19
1.225	RAYTHEON CO	1.5	106.10	109.26	129,978	133,844	3,865	2.45
1.375	UNITED PARCEL SERVICES INC	1.5	101.63	98.69	139,748	135,699	-4,049	2.96
		11.6			1,019,171	1,021,858	2,686	2.24
CONSUMER DISCRETIONARY								
2.375	ALIBABA GROUP HLDG SPON ADR	1.6	77.85	58.97	184,890	140,054	-44,836	0.00
598	AMAZON COM INC	3.5	439.30	511.89	262,701	306,110	43,409	0.00
2.800	COMCAST CORP NEW CL A	1.8	54.65	56.88	153,014	159,264	6,250	1.76
1.525	DISNEY WALT CO	1.8	47.89	102.20	73,039	155,855	82,816	1.29
2.400	HOME DEPOT INC	3.2	70.72	115.49	169,734	277,176	107,442	2.04
900	NIKE INC	1.3	101.07	122.97	90,961	110,673	19,712	0.91
48	PRICELINE GROUP, INC	0.7	1,204.60	1,236.86	57,821	59,369	1,548	0.00
2.200	STARBUCKS CORP	1.4	42.70	56.84	93,942	125,048	31,106	1.13
1.425	TJX COS INC NEW	1.2	61.80	71.42	88,064	101,774	13,709	1.18
		16.3			1,174,166	1,435,323	261,157	0.98

The portfolio above should be compared to your custodial statement.

Atlanta Sosnoff

PORTFOLIO HOLDINGS

Quantity	Security	% of Total	Unit Cost	Market Price	Total Cost	Market Value	Unrealized Gain/Loss	Current YTM
CONSUMER STAPLES								
275	CONSTELLATION BRANDS INC CL A	0.4	87.39	125.21	24,032	34,433	10,401	0.99
2,775	CVS HEALTH CORP	3.0	64.05	96.48	177,742	267,732	89,990	1.45
		3.4			201,775	302,165	100,390	1.40
HEALTH CARE								
962	ALLERGAN PLC	3.0	291.51	271.81	280,430	261,481	-18,949	0.00
108	BIOGEN IDEC INC	0.4	292.50	291.81	31,590	31,515	-74	0.00
10,625	BOSTON SCIENTIFIC CORP	2.0	17.30	16.41	183,825	174,356	-9,469	0.00
2,250	BRISTOL MYERS SQUIBB CO	1.5	61.58	59.20	138,551	133,200	-5,351	2.50
1,349	CELGENE CORP	1.7	113.35	108.17	152,904	145,921	-6,983	0.00
600	CIGNA CORP	0.9	154.86	135.02	92,917	81,012	-11,905	0.03
1,950	GILEAD SCIENCES INC	2.2	56.60	98.19	110,362	191,471	81,108	1.75
222	MCKESSON CORP	0.5	196.49	185.03	43,620	41,077	-2,543	0.61
625	MEDTRONIC PLC	0.5	75.12	66.94	46,947	41,838	-5,109	2.27
1,475	MERCK & CO INC NEW	0.8	58.39	49.39	86,124	72,850	-13,273	3.64
5,600	PFIZER INC	2.0	33.21	31.41	185,951	175,896	-10,055	3.57
2,375	TEVA PHARMACEUTICAL IND LTD ADR	1.5	65.08	56.46	154,577	134,093	-20,484	2.02
800	UNITEHEALTH GROUP INC	1.1	101.95	116.01	81,556	92,808	11,252	1.72
		17.9			1,589,354	1,577,518	-11,837	1.34
FINANCIALS								
800	AMERICAN EXPRESS CO	0.7	85.78	74.13	68,626	59,304	-9,322	1.56
4,150	AMERICAN INTL GROUP INC NEW	2.7	57.75	56.82	239,661	235,803	-3,858	1.97
2,325	AMERICAN TOWER CORP REIT	2.3	77.07	87.98	179,182	204,554	25,372	2.09
13,950	BANK OF AMERICA CORPORATION	2.5	17.31	15.58	241,528	217,341	-24,187	1.28
3,700	CITIGROUP INC NEW	2.1	54.79	49.61	202,736	183,557	-19,179	0.40
1,600	MARSH & MCLENNAN COS INC	1.0	33.90	52.22	54,248	83,552	29,304	2.37
3,100	MORGAN STANLEY	1.1	36.75	31.50	113,913	97,650	-16,263	1.90
3,550	SCHWAB CHARLES CORP NEW	1.2	28.48	28.56	101,090	101,388	298	0.84
		13.5			1,200,983	1,183,149	-17,835	1.53

The portfolio above should be compared to your custodial statement.

Atalanta Sosnoff

PORTFOLIO HOLDINGS

Quantity	Security	% of Total	Unit Cost	Market Price	Total Cost	Market Value	Unrealized Gain/Loss	Current YTM
INFORMATION TECHNOLOGY								
2.475	ADOBE SYS INC	2.3	70.17	82.22	173,676	203,495	29,819	0.00
3.850	APPLE INC	4.8	80.41	110.30	309,561	424,655	115,094	1.89
4.600	FACEBOOK INC	4.7	79.10	89.90	363,867	413,540	49,673	0.00
525	GOOGLE INC CLASS A	3.8	438.21	638.37	230,059	335,144	105,086	0.00
166	GOOGLE INC CLASS C NON-VOTING	1.1	415.98	608.42	69,052	100,998	31,946	0.00
1,000	LINEAR TECHNOLOGY CORP	0.5	47.30	40.35	47,300	40,350	-6,950	2.97
3,525	MASTERCARD INC	3.6	72.16	90.12	254,358	317,673	63,315	0.71
4,075	MICROSOFT CORP	2.1	44.94	44.26	183,131	180,360	-2,772	3.25
1,050	RED HAT INC	0.9	71.71	71.88	75,295	75,474	179	0.00
2,975	SALESFORCE.COM INC	2.3	69.06	69.43	205,457	206,554	1,098	0.00
2,575	VISA INC CL A	2.0	69.86	69.66	179,892	179,375	-517	0.69
		28.2			2,091,646	2,477,617	385,970	0.75
TELECOM SERVICES								
4.625	T MOBILE US INC	2.1	29.91	39.81	138,334	184,121	45,788	0.00
		2.1			138,334	184,121	45,788	0.00
ENERGY								
1.150	SCHLUMBERGER LTD	0.9	88.66	68.97	101,962	79,316	-22,647	2.90
		0.9			101,962	79,316	-22,647	2.90
	COMMON STOCK Total	96.5			7,777,071	8,484,725	707,654	1.30
	TOTAL PORTFOLIO	100.0			8,086,337	8,793,991	707,654	

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The portfolio above should be compared to your custodial statement.

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

PERFORMANCE STATISTICS

	<u>Three Months Ended Sep. 30, 2015</u>	<u>Nine Months Ended Sep. 30, 2015</u>	<u>Five Years Annualized Sep. 30, 2015</u>	<u>Inception June 9, 2009 to Sep. 30, 2015</u> <u>Total Return</u>	<u>Annualized Rate of Return</u>
TOTAL	-6.32%	-4.67%	+10.07%	+85.89%	+10.32%
Composite Index (1)	-5.30%	-1.55%	+13.57%	+131.83%	+14.25%
EQUITY	-6.47%	-4.61%	+10.44%	+92.31%	+10.92%
Russell 1000 Growth Index	-5.30%	-1.55%	+14.47%	+148.16%	+15.49%
Russell 1000 Growth Index + 1.00%	-5.00%	-0.80%	+15.47%	+162.04%	+16.49%

(1) 65% RUSSELL 1000 GROWTH / 35% BC AGGREGATE BOND thru 01/20/12 ~ 100% RUSSELL 1000 GROWTH forward

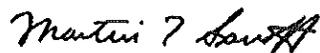
14

In sum, carnage in the world of big capitalization names is brutal. Of late, only 10 stocks among the 25 big caps rested in the plus column. Outsized gains belonged to just Google, Facebook and Amazon, whose numbers surprised the Street and forced a boatload of analysts to reset their music sheets. You need perfect pitch not only in stock selection but sector weighting. Total avoidance of the materials sector, most utilities (including AT&T) and certainly, till now, energy, a 7% weighting in the S&P 500. For long cycle recovery, our Schlumberger position was increased some.

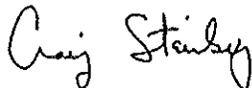
Another valuation yardstick is the market relative to GDP. Currently, we're at parity or 100%, stocks vs. GDP. Aside from the 2008 - '09 meltdown, this relationship has lasted since 2000. For most of the postwar period the ratio of stock valuation was closer to 50% of GDP. The pivotal core metric is probably much lower inflation in the country since the sixties and seventies.

Historically, the S&P 500 Index sells at or above a mid-teens price-earnings ratio when interest rates and inflation rank as low as currently. This puts the risk on valuation at no more than 5%, an acceptable number. Focus could shift from macro events to the earnings power of major multinational corporations. With still low energy sector profitability in 2016, we see S&P 500 earnings at \$120 a share, slightly below consensus numbers which have come in of late.

With all good wishes,



Martin T. Sosnoff



Craig B. Steinberg

The auto industry, for example, is exceeding even the most optimistic forecasts for North American car production. We're near an 18 million run rate, above the highpoint in 2007. Personal consumption expenditures are carrying the country, in the high seventies, as a percentage of GDP. Although our exports are impacted from the strong dollar, our currency has declined 5% from its high. The trade balance will remain in its deficit posture, but this isn't a major deterrent to GDP momentum. Other sectors show some late foot. Housing for example, is doing much better in terms of new home starts but we are still 500,000 units below pre-financial crisis numbers of 2007-08. Capital spending still holds flattish, particularly in the manufacturing sector where capacity utilization is yet to recover.

The cliché, it's a market of stocks, is so corny we won't use it. Let's call it a market of a couple of sectors. Value is out and growth is in. Ask Google, Facebook and Amazon. The market is growth starved but nobody tells you not to pay up to the point of sheer stupidity (betting on the favorite American Pharoah at 1-5 in the Travers Stakes at Saratoga).

We assume benign FRB policy emphasis with GDP growing 3% quarterly. There's no likelihood of a step-up in fiscal spending from our squabbling, do-nothing Congress. Additionally, reigning stupidities of the Saudis, over-pumping oil, may not end for a year or until their dollar reserves dwindle down to less than 2 years' worth. It's coming. Interest rates on Treasuries and corporate bonds probably remain far below historic norms for a couple more years.

Mavens on China believe real growth there is below China's published 7% number. Backup analysis is electricity consumption, rail carloadings, exports and current overinvestment in commercial and home construction. (It's the debt load, stupid!) Fiscal and monetary management in China is pro-active. China will not implode. Otherwise, flat fiscal spending is the curse of the western world. Euroland remains in its funk. Several emerging market countries hold sizeable amounts of debt denominated in dollars.

In short, the US is the best place to be operating from in financial markets. Consider, in the Shanghai Index, banks comprise 28% of the weighting so inherent volatility is foretold. Throw in pervasive day trading and intermittent government intervention and it's Looney Tunes.

Drilling down into the top 100 names in the S&P 500 Index you'll find much blood spilled. Consider, while manufacturing, domestically, is just 12% of the economy and is up slightly this year despite a 5% decline in exports, its weighting in the index is sizable. Energy of course was a disaster starting with ExxonMobil, down over 20%, Chevron bottoming even lower, with ConocoPhillips of comparable amplitude before rallying.

The big surprise is polite investing so far isn't working. Faltering old tech houses like Intel, Hewlett-Packard and Qualcomm rank as big losers. Procter & Gamble is dead paper, down 24% along with Wal-Mart. Buffett's Coca-Cola dropped 9%, Berkshire Hathaway itself off 13%. Year-to-date, outsized performance centers on Google, Amazon and Facebook among the top 25 names in the S&P 500. Fifteen of the top 25 names remain in negative territory.

Atalanta Sosnoff

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October 12, 2015

Ms. Rebecca Marsters
Retirement Administrator
Bay County Voluntary Employees' Beneficiary Association
Bay County Building
515 Center Ave., Suite 706
Bay City, MI 48708-5128

Dear Ms. Marsters:

For the September quarter, performance receded from benchmark composites but improved in the first 2 weeks of October. The period was characterized by huge swings in volatility for stocks while bonds eased just fractionally.

The S&P 500 Index declined 6.4%, reacting to macro events like swooning energy quotes, no letup in Mideast tension and wobbling economic growth numbers from China. As of this writing, the market decline has reset, recovering 5%. The U.S. GDP setting remains benign, on a growth track approximating 3%.

OPEC's honchos not only have destabilized world energy markets, but plunged major countries like Russia into recession and destroyed its currency parity. Mexico, Venezuela, Brazil and Nigeria will run deep fiscal deficits along with Saudi Arabia. Our guess is the Saudis will keep pumping oil at their present level for no longer than a year. Russia is flexing its muscles in the Mideast, supporting Iran and Syria, indirectly pressuring the Saudis to relent on production.

Relatively speaking, there are no excesses in the U.S. We are near normalized growth, interest rates hold at historic lows and inflation is hard to find, anywhere. Wage increases remain minimal and consumers are benefiting from lower prices for gasoline and natural gas.

Ms. Rebecca Marsters
Retirement Administrator
Bay County Voluntary Employees' Beneficiary Association
Bay County Building
515 Center Ave., Suite 706
Bay City, MI 48708-5128



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INVESTMENT MANAGERS

Bay County VEBA

Investment Summary - at 9/30/2015

90477

Asset Class	Total Cost	Weight at Cost	Marked Value	Accrued Income	Total Value	Weight at Market
Fixed Income	\$16,150,020.14	99.43%	\$16,113,657.78	\$104,358.57	\$16,218,016.35	99.43%
Cash	\$93,082.17	0.57%	\$93,082.17	\$0.00	\$93,082.17	0.57%
Total Portfolio	\$16,243,102.31	100.00%	\$16,206,739.95	\$104,358.57	\$16,311,098.52	100.00%

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Economic Perspective – Third Quarter, 2015

Market inflation expectations declined substantially during the third quarter with five-year breakevens tightening 59bps. Oil prices temporarily fell beneath \$40 a barrel and fears of emerging market weakness spilled over into the US financial markets. Our belief is that the recent bout of risk aversion is overblown and inflation expectations have fallen below fair value. TIPS are a potentially attractive asset class heading into year-end.

The expectation of further weakening in the CNY/USD exchange rate has caused many market participants to extrapolate emerging market malaise onto the US in the belief that deflationary forces will be exported from China. China's poor economic data and declining equity markets were enough reason for the FOMC to refrain from increasing interest rates in September, stating that "recent global economic and financial developments may restrain economic activity somewhat and are likely to put further downward pressure on inflation in the near term." Continued depreciation of the RMB versus the USD could lead to further deflationary pressures in import prices, but we believe the market has overreacted to the potential adverse effects on the US economy. Prior Federal Reserve research (Goldberg 2008 & Gagnon 2012) has shown that exchange rate movements and import prices have minimal pass-through effects on core CPI inflation measures in the US. That research shows that approximately 30% of the decline in import prices actually flows through to core CPI inflation. Additional research from Goldman Sachs estimates that imported content is only around 10% of all personal consumption expenditures, providing further evidence to support our belief that China's slowing economy and deflationary forces will have minimal effect on the US.

With market-based measures of inflation expectations near the lows of the year and a full percent off of the yearly highs by some measures, we believe that the string of negative news regarding China's impact on the US economy is overblown. Although China accounted for around 19% of all US imports and 7.6% of US exports in 2014, the slowdown in their economy and weakening exchange rate will pose minimal negative direct impact on the US. The market's overreaction to headlines out of China have created opportunities to increase our overweight to credit at attractive spreads over treasuries, and has deepened TIPS breakevens to compelling levels. We continue to expect modest growth from the US economy, despite the slowdown in emerging markets, and for a modest upward trend in wages to slightly increase inflationary pressures through year-end.

Fixed Income – Third Quarter, 2015

U.S. Treasury Yields

Maturity	6/30/15	9/30/15	Change
2-year	0.64%	0.63%	-0.01%
5-year	1.65%	1.35%	-0.30%
7-year	2.08%	1.74%	-0.34%
10-year	2.35%	2.04%	-0.31%
30-year	3.14%	2.85%	-0.29%

Treasury bond yields fell during the quarter (above table) with the yield curve flattening. The portfolio's modestly defensive duration position was maintained, though our outlook for market interest rates is less bearish. We now expect a year-end 10-year Treasury yield of approximately 2.40% versus the previous call for 2.75% anchored by the short end.

Credit spreads widened by 30 basis points on average, lagging duration matched Treasuries by 181 basis points for the quarter. As in the second quarter our portfolio's overweight to the sector negatively impacted our relative performance, but our high quality bias and underweight to long maturity corporate debt more than made up for the spreads widening. Changes to the portfolios during the quarter included an increase in the allocation to industrial credit as well as a lengthening of the average duration of our agency, CMBs, and ABS holdings.

Portfolio Highlights

- Domestic investment grade fixed income total returns rebounded nicely in the third quarter, led by gains in Treasury bonds. The drop in yields more than offset widening credit spreads, resulting in benchmark returns of between 1% and 1.25% for intermediate and broad market indices. Our portfolios matched the performance of the indices, with the benefit from our high quality holdings offset by slightly defensive duration positioning and an overweight to credit-sensitive securities.
- Similar dynamics affected the bonds of most developed markets, with concerns regarding slow economic growth, low inflation, and volatile markets a common thread. The German 5-year Bund revisited negative yields in August and closed the third quarter just below zero. Fears of a Greek exit from the Euro in July were once again allayed, but this subject promises to remain a headline-grabbing issue for the foreseeable future. Additional monetary policy stimulus may be introduced to the European markets, though consensus forecasts call for modest but expanding growth and inflation for the region in 2016. Chinese economic growth also remains in question. Official estimates should fall below 7% for 2015, a figure which will almost certainly continue to be overstated.
- Returning to the domestic market, yield spreads on credit securities rose an average of 30 basis points during the quarter, a trend grounded in weakening global economic fundamentals and reinforced by a spate of corporate supply. Issuers rushed to market in front of the September FOMC meeting, hoping to capture attractive debt financing terms in advance of a possible downturn in bond prices. According to SIFMA, investment grade credit issuance topped \$273 billion during the quarter, with the year-to-date total 13% ahead of last year's record amount. The high yield market was a different story, with the quarterly pace of issuance slowing and dragging the year-to-date volume below 2014's pace, hurt by commodity exposure.
- The spike in bond and equity market volatility during the quarter created several opportunities to capture value. Our allocation to credit, the industrial sector in particular, was increased as wider yield spreads were deemed fair compensation given our outlook for continued slow economic growth. The average duration of our agency, CMBs, and ABS holdings was lengthened in response to attractive offers available in both the secondary and new-issue markets.

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INVESTMENT
MANAGERS

Aggregate Fixed Income, Gross of Fees

Performance Attribution – at September 30, 2015

	3rd Qtr		YTD		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
CS Mckee Aggregate	1.23	1.69	5.76	-1.73	5.09	8.62	7.05	8.73	7.17	7.61	5.07	3.56	4.74	4.42	10.33	8.92	11.58	-0.53		
Bancays Aggregate Index	1.23	1.13	5.97	-2.02	4.22	7.84	6.54	5.93	5.24	6.97	4.33	2.43	4.34	4.10	10.26	8.44	11.63	-0.82		
Value-Added Return	0.00	0.56	-0.21	0.29	0.87	0.78	0.51	2.80	1.93	0.64	0.74	1.13	0.40	0.32	0.07	0.48	-0.05	0.29		
Relative Performance Breakdown																				
Duration Decision	-0.080	-0.120	-0.655	0.310	-0.355	-1.065	-0.080	-0.340	0.060	-0.240	0.160	0.015	-0.120	0.020	-0.440	0.030	-0.06	-0.07		
Yield Curve Decision	-0.020	-0.020	0.055	-0.070	-0.020	0.155	0.090	0.090	-0.260	-0.110	0.010	0.165	0.080	0.130	-0.280	-0.060	0.03	-0.01		
Sector Allocation Decision	0.005	0.020	-0.010	0.050	0.840	0.110	-0.170	1.220	1.800	0.520	-0.040	0.250	-0.350	-0.280	0.290	0.450	-0.340	0.330		
US Agency Debt	0.015	0.030	0.125	-0.040	0.230	0.060	0.240	0.390	0.390	-0.220	0.405	0.100	0.270	0.050	0.020	-0.060	-0.04	0.03		
US Agency MBS/CMO	0.030	0.095	-0.100	-0.225	-0.155	0.170	-0.650	-1.660	1.015	0.530	-0.350	0.095	-0.475	-0.040	0.200	0.370	-0.05	0.10		
Corporate Bonds	-0.140	-0.210	-0.050	0.330	0.645	-0.190	0.100	1.930	0.370	0.000	-0.050	0.065	-0.070	-0.180	0.090	0.150	-0.25	0.20		
Other Government Bonds	0.105	0.105	-0.025	-0.030	-0.230	0.085														
ABS	0.000	0.005	0.000	-0.005	0.015	0.000	0.000	-0.080	0.135	0.060	-0.010	0.000	-0.015	-0.020	0.000	0.000	0.00	0.00		
CMBS	-0.005	-0.005	0.040	0.020	0.335	-0.015	0.140	0.640	0.500	0.210	-0.035	-0.010	-0.060	-0.090	-0.020	-0.010	0.00	0.00		
Security Selection Decision	0.095	0.680	0.400	0.000	0.405	1.580	0.670	1.830	0.330	0.470	0.610	0.700	0.790	0.450	0.500	0.060	0.320	0.040		
US Treasury (US TIPS)	-0.120	-0.070	0.005	-0.115	0.290	0.335	-0.490	3.150	-1.490	0.070	0.020	0.100	0.000	0.130	0.230	0.090	-0.080	0.000		
US Agency Debt	-0.030	0.235	0.215	0.285	0.805	0.335	0.740	-0.420	0.170	-0.070	0.590	0.510	0.730	0.270	0.270	-0.070	0.060	0.020		
US Agency MBS/CMO	0.005	0.005	0.000	-0.030	0.045	0.095	0.090	0.030	-0.290	-0.010	-0.005	0.000	-0.060	-0.080	-0.060	0.010	-0.020	0.030		
Corporate Bonds	0.230	0.485	0.180	-0.035	-0.445	0.840	0.570	-0.460	1.250	0.480	0.005	0.090	0.120	0.230	0.360	0.050	0.360	-0.010		
Other Government Bonds	0.015	-0.020	0.020	-0.075	0.005	0.000														
ABS	-0.010	-0.025	-0.005	0.010	-0.005	-0.015	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.100	-0.300	0.000	0.000		
CMBS	0.005	0.010	-0.015	-0.040	-0.290	-0.030	-0.240	-0.470	0.690	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		

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The above information is supplemental and complements the composite disclosure presentation at the end of this document which includes net-of-fee returns for all periods presented. For additional information, contact C. S. Mckee at 412-566-1234.

Bay County VEBA

Fixed Income Portfolio Characteristics - at 9/30/2015

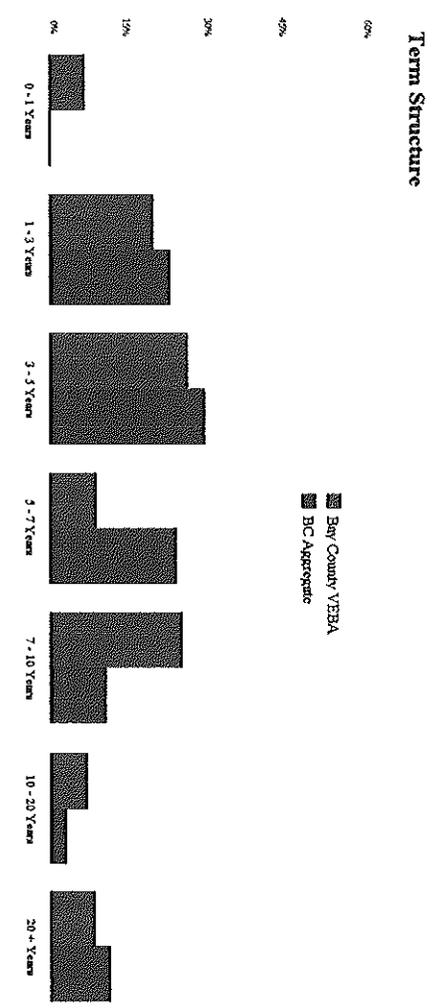
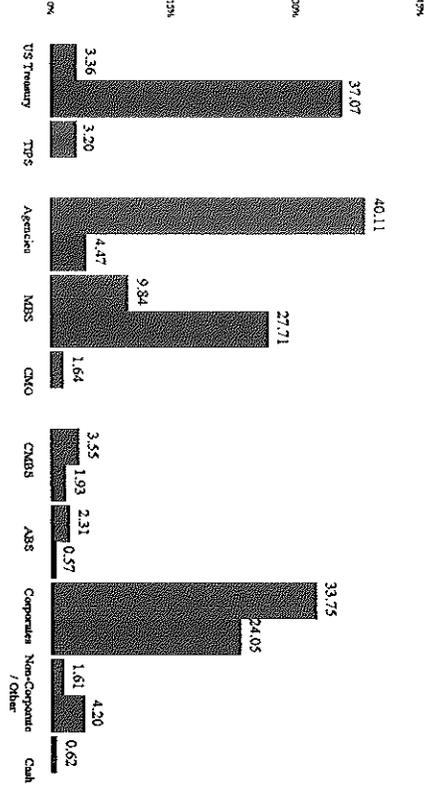
Benchmark Comparisons	Bay County VEBA	BC Aggregate	Variance
Effective Duration	5.44 yrs.	5.60 yrs.	-0.17 yrs.
Average Convexity	-0.32	0.02	-0.34 yrs.
Average Maturity	6.92 yrs.	7.34 yrs.	-0.41
Yield to Maturity	2.50 %	2.22 %	0.28 %
Average Coupon	3.04 %	3.19 %	-0.15 %
Average Quality	Aa2	Aa2	N/A

Sector Allocation

	Bay County VEBA	BC Aggregate
US Treasury	3.36	3.20
TIPS	37.07	3.20
Agencies	40.11	4.47
MBS	27.71	9.54
CDO	1.64	1.64
CMBIS	3.55	1.93
ABS	2.31	0.57
Corporate Non-Corporate / Other	24.05	1.61
Cash	4.20	0.52

Top 10 Largest Holdings (Active Exposures)

Security	Coupon	Maturity	Sector	% of Portfolio
FEDERAL NTL MTG ASSN	2.350	04/28/2028	US Agencies	2.61
FEDERAL FARM CR BKS	2.950	07/13/2023	US Agencies	2.19
FEDERAL FARM CR BKS	3.170	07/21/2025	US Agencies	2.01
FEDERAL HOME LN MTG	5.625	11/23/2035	US Agencies	1.95
FEDERAL FARM CR BKS	3.040	10/22/2024	US Agencies	1.89
GE CAPTL BK 33778 CD	1.750	05/04/2017	US Agencies	1.53
AMERICAN EXPRESS CEN	2.350	10/07/2020	US Agencies	1.53
BMW BK USA 35141 CD	2.000	11/29/2018	US Agencies	1.52
COMPASS BK 19048 CD	1.900	11/06/2018	US Agencies	1.52
CIT BANK 33575 CD	2.100	07/25/2019	US Agencies	1.52



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INVESTMENT
MANAGERS

Bay County VEBA

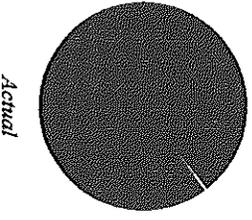
Account Statement - at 9/30/2015

90477

Portfolio Summary

	QTD 6/30/15 - 9/30/15	YTD 12/31/14 - 9/30/15
Beginning market value	\$16,104,802	\$15,309,249
Net additions and disbursements	-3	704,519
Investment income	118,100	332,724
Portfolio appreciation / depreciation	88,200	-35,393
Ending market value	\$16,311,099	\$16,311,099

Allocation



	Actual	Target	Diff
Fixed Income	99.4%	100.0%	(-0.6%)
Cash	0.6%	0.0%	+0.6%

Performance
*(2/1/2012)**

	QTD	YTD	1 yr	2 yr	3 yr	TTD
Fixed Income	1.29%	1.91%	3.67%	3.93%	2.18%	2.75%
BC Aggregate	1.23%	1.13%	2.93%	3.44%	1.71%	2.30%

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Periods greater than 1 year are annualized
* Performance Start Date

C.S. McKee, L.P.
Account Overview

Bay County VEBA

Client Code: 90477
As Of Date: 9/30/2015
Report: Calendar

Asset Allocation

As of 9/30/2015

Asset Class	Value	Percentage
Large-Cap Equity	\$ -	0.00%
Small-Cap Equity	\$ -	0.00%
Intl Mutual Fund	\$ 16,218,016.35	99.43%
Cash	\$ 93,082.18	0.57%
Other	\$ -	0.00%
Total Portfolio:	\$ 16,311,098.53	100.00%



Performance

As of 9/30/2015

Performance Summary	Month-to-Date	Year-to-Date
Beginning Market Value:	16,195,192.26	16,195,192.26
Net Contributions (Distributions):	-	-
Income:	39,835.24	39,835.24
Market Appreciation (Depreciation):	76,071.03	76,071.03
Ending Market Value:	16,311,098.53	16,311,098.53
Dollar-Weighted Return:	0.72%	0.72%

Time-Weighted Returns	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Performance Start Date:	2/7/2012	N/A	N/A	N/A	N/A	2/7/2012	N/A
MTD	Gross: 0.73% Net: 0.70% Benchmark: 0.68% Value Added (Gross): 0.05%	Ex Cash	Ex Cash	Ex Cash	Ex Cash	0.73% 0.70% 0.68% 0.05%	0.74% 0.71% 0.68% 0.06%
QTD	Gross: 1.29% Net: 1.21% Benchmark: 1.23% Value Added (Gross): 0.06%	Ex Cash	Ex Cash	Ex Cash	Ex Cash	1.29% 1.21% 1.23% 0.06%	1.32% 1.24% 1.33% 0.09%
YTD	Gross: 1.91% Net: 1.68% Benchmark: 1.13% Value Added (Gross): 0.78%	Ex Cash	Ex Cash	Ex Cash	Ex Cash	1.91% 1.68% 1.13% 0.78%	1.89% 1.67% 1.13% 0.76%
1 Year	Gross: 3.67% Net: 3.36% Benchmark: 2.94% Value Added (Gross): 0.73%	Ex Cash	Ex Cash	Ex Cash	Ex Cash	3.67% 3.36% 2.94% 0.73%	3.70% 3.39% 2.94% 0.76%
3 Year	Gross: 2.18% Net: 1.88% Benchmark: 1.71% Value Added (Gross): 0.47%	Ex Cash	Ex Cash	Ex Cash	Ex Cash	2.18% 1.88% 1.71% 0.47%	2.26% 1.95% 1.71% 0.55%
5 Year	Gross: 0.00% Net: 0.00% Benchmark: 0.00% Value Added (Gross): 0.00%	Ex Cash	Ex Cash	Ex Cash	Ex Cash	0.00% 0.00% 0.00% 0.00%	0.00% 0.00% 0.00% 0.00%
TD	Gross: 2.75% Net: 2.46% Benchmark: 2.30% Value Added (Gross): 0.45%	Ex Cash	Ex Cash	Ex Cash	Ex Cash	2.75% 2.46% 2.30% 0.45%	2.85% 2.56% 2.30% 0.55%
Benchmark History	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
	2/7/2012					2/7/2012	
	BCAAG 100%					BCAAG 100%	

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Bay County, Michigan

11/05/2015 12:07
Rmarsters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P 1
g1yrbud

FOR 2015 10

ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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7360 PUBLIC EMPLOYEE HEALTH CARE

73627401 VOL.EMPLOYEE BENEF. ASSOC. BOARD

RA FUND BALANCE, NET AS

73627401 40001 FUND BALANCE	0	0	.00	.00	.00	.0%
73627401 40004 NET ASSETS - RESERV	1,343,339	1,343,339	.00	.00	.00	.0%
TOTAL FUND BALANCE, NET AS	1,343,339	1,343,339	.00	.00	.00	.0%

RJ LOCAL UNIT CONTRIBUT

73627401 59401 ER CONTR-BEHAVE,HEA	0	0	.00	.00	.00	.0%
73627401 59402 ER CONTR-MOSQUITO C	0	0	.00	.00	.00	.0%
73627401 59403 ER CONTR-HEALTH FUN	0	0	.00	.00	.00	.0%
73627401 59404 ER CONTR-ROAD COMM	0	0	.00	.00	.00	.0%
73627401 59406 ER CONTR-LIBRARY	0	0	.00	.00	.00	.0%
73627401 59407 ER CONTR-GOLF COURS	0	0	.00	.00	.00	.0%
73627401 59408 ER CONTR-GENERAL FU	0	0	.00	.00	.00	.0%
73627401 59409 ER CONTR-DMS	0	0	.00	.00	.00	.0%
73627401 59410 ER CONTR-911 SERVIC	-38,200	-38,200	-24,844.14	-2,955.99	.00	65.0%*
73627401 59411 ER CONTR-CHILD CARE	0	0	.00	.00	.00	.0%
73627401 59412 ER CONTR-DIV ON AGI	0	0	.00	.00	.00	.0%
73627401 59413 ER CONTR-RETIRE SYS	0	0	.00	.00	.00	.0%
73627401 59415 ER CONTR-GYRSY MOTH	0	0	.00	.00	.00	.0%
73627401 59416 ER CONTR-HOME REHAB	0	0	.00	.00	.00	.0%
73627401 59418 ER CONTR-100% TAX P	0	0	.00	.00	.00	.0%
73627401 59419 ER CONTR-MED CARE F	0	0	.00	.00	.00	.0%
73627401 59424 ER CONTR-SEMF INSUR	-310,000	-310,000	-150,120.05	.00	.00	48.4%*
73627401 59427 ER CONTR-COMM. CORR	0	0	.00	.00	.00	.0%
73627401 59429 ER CONTR-F. O. C. FUN	0	0	.00	.00	.00	.0%
73627401 59430 ER CONTR-HOUSING FU	0	0	.00	.00	.00	.0%
73627401 59433 ER CONTR-SOLDIER RE	0	0	.00	.00	.00	.0%
73627401 59499 ER CONTR-SHRIF DE	0	0	.00	.00	.00	.0%
TOTAL LOCAL UNIT CONTRIBUT	-348,200	-348,200	-210,964.19	-6,955.99	.00	60.6%
RP INTEREST & RENTALS						
73627401 66400 INVESTMENT INTEREST	-500,000	-500,000	-430,976.39	-175,571.71	.00	86.2%

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Bay County, Michigan

11/05/2015 12:07
Rmarsters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2015 10

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 66500 GAIN ON SALE OF INV	-1,100,000	-1,100,000	-1,020,405.95	-177,492.09	.00	-79,594.05	92.8%
73627401 66501 UNREALIZED GAIN ON	0	0	.00	.00	.00	.00	.0%
TOTAL INTEREST & RENTALS	-1,600,000	-1,600,000	-1,451,382.34	-353,063.80	.00	-148,617.66	90.7%
RR OTHER REVENUE							
73627401 67104 MISCELLANEOUS REVENU	0	0	.00	.00	.00	.00	.0%
73627401 69000 COMMISSION RECAPTUR	0	0	-6,679.17	-439.13	.00	6,679.17	100.0%
TOTAL OTHER REVENUE	0	0	-6,679.17	-439.13	.00	6,679.17	100.0%
XE WAGES & SALARIES							
73627401 71000 PER DIEM	360	360	.00	.00	.00	360.00	.0%
TOTAL WAGES & SALARIES	360	360	.00	.00	.00	360.00	.0%
XI SUPPLIES							
73627401 72700 OFFICE SUPPLIES	100	100	.00	.00	.00	100.00	.0%
73627401 72800 PRINTING AND BINDIN	150	150	.00	.00	.00	150.00	.0%
73627401 72900 POSTAGE	100	100	4.34	.00	.00	95.66	4.3%
73627401 75100 COMPUTER SUPPLIES	50	50	.00	.00	.00	50.00	.0%
TOTAL SUPPLIES	400	400	4.34	.00	.00	395.66	1.1%
XL OTHER SERVICES AND C							
73627401 80100 PROFESSIONAL SERVIC	100,000	100,000	59,645.92	.00	.00	40,354.08	59.6%
73627401 80101 ACTUARIAL SERVICES	37,000	37,000	39,300.00	.00	.00	-2,300.00	106.2%*
73627401 81400 INVESTMENT/BANK SER	30,000	30,000	22,417.12	7,316.28	.00	7,582.88	74.7%
73627401 81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73627401 81900 CONSULTANTS	30,000	30,000	14,500.00	3,625.00	.00	15,500.00	48.3%
73627401 86600 LOCAL TRAVEL MILEAG	0	0	.00	.00	.00	.00	.0%
73627401 94601 EQUIPMENT RENTAL-CO	55	55	.00	.00	.00	55.00	.0%

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Bay County, Michigan

11/05/2015 12:07 BAY COUNTY, MI
 Rmarsters YEAR-TO-DATE BUDGET REPORT

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FOR 2015 10

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 95600	6,046	6,046	5,028.15	508.92	.00	1,017.85	83.2%
73627401 96200	391,000	391,000	426,263.97	205,139.32	.00	-35,263.97	109.0%*
73627401 96201	0	0	.00	.00	.00	.00	.0%
73627401 96500	2,500	2,500	2,937.45	.00	.00	-437.45	117.5%*
TOTAL OTHER SERVICES AND C	604,101	604,101	570,092.61	216,589.52	.00	34,008.39	94.4%
TOTAL VOL. EMPLOYEE BENEF. ASSOC. BO	0	0	-1,098,928.75	-143,869.40	.00	1,098,928.75	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH CARE	0	0	-1,098,928.75	-143,869.40	.00	1,098,928.75	100.0%
TOTAL REVENUES	-604,861	-604,861	-1,669,025.70	-360,458.92	.00	1,064,164.70	
TOTAL EXPENSES	604,861	604,861	570,096.95	216,589.52	.00	34,764.05	
GRAND TOTAL	0	0	-1,098,928.75	-143,869.40	.00	1,098,928.75	100.0%

** END OF REPORT - Generated by Rebecca Marsters **

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VEBA Invoices Approved: October

Invoice Date	Vendor	Amount	Description
9/22/2015	Atalanta Sosnoff	\$ 11,734.00	Q3 2015 money manager fee
10/9/2015	C.S. McKee	\$ 12,233.32	Q3 2015 money manager fee

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
11/10/2015
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA) BOARD

WHEREAS, The Bay County Employees' Retirement System (BCERS) is engaged 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, Currently, the Voluntary Employees' Beneficiary Association (VEBA) is not engaged with a transition manager and services for restructuring are rendered. Therefore, Be It;

RESOLVED That this Board authorize the Board Chair to enter into a Transition Services Agreement With Northern Trust to facilitate transition services for VEBA. Further Be It;

RESOLVED That upon favorable review/approval by Corporation Counsel, the Chairman of the Board is authorized to execute the agreement.

RESOLUTION - TRANSITION MANAGER AGREEMENT

STEVE GRAY, CHAIR
AND BOARD

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				Thomas Herek				Thomas Starkweather			

Vote Totals:

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

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

RETIREMENT BOARD MEETINGS FOR 2016
SCHEDULE OF SPEAKERS - MEETINGS START AT 1:30 P.M.
EXCEPT WHERE NOTED *

DATE	MONEY MANAGER	SPEAKER	CONFIRMED
JANUARY 12	1:30 MFS U.S. & International Growth Funds	Clay Lindsey - Eagle Kim Bylund - MFS	
FEBRUARY 9	The Bogdahn Group - 4th Qtr Rpt 2014 BCERS (and VEBA)	Howard Pohl Peter Brown	
MARCH 8	1:30 Eagle Asset		
APRIL 12	1:30 Integrity 2:00 Prudential (PRISA)*	Adam Friedman Andrea Leistra	
*APRIL - 21 Thursday	9:00 Baird 9:45 Columbia 10:30 Schroders		
MAY 10	The Bogdahn Group - 2015 1st Qtr Report BCERS (and VEBA)	Howard Pohl Peter Brown	
JUNE 14	Hotchkis & Wiley	Patrick McMenamin	
JULY 12	NO SPEAKER	-----	
AUGUST 9	The Bogdahn Group - 2015 2nd Qtr Report BCERS (and VEBA)	Howard Pohl Peter Brown	
SEPTEMBER 13	VEBA: 2:30 p.m. - MFS 3:00 p.m. - Dodge & Cox		
OCTOBER 11	Gabriel Roeder Smith - Actuarial Valuation		
* OCTOBER 20 Thursday	8:30 Cornerstone 9:15 Loomis Sayles 10:00 MacKay Shields 10:45 Geneva Capital		
NOVEMBER 8	The Bogdahn Group - 2015 3rd Qtr Report BCERS (and VEBA)	Howard Pohl Peter Brown	
DECEMBER 13	VEBA: 2:30 p.m. - C. S. McKee		
	3:00 p.m. - Lord Abbett		

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
11/10/2015
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD
 WHEREAS, The Bay County Voluntary Employees' Beneficiary Association Investment Policy states that investment managers are required to meet with Trustees annually.
 WHEREAS, The Board schedules investment managers to speak at their monthly meetings; Therefore Be It,
 RESOLVED That this Board approve the speaker schedule for 2016.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION 2016 SPEAKER SCHEDULE

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				Thomas Herek				Thomas Starkweather			

Vote Totals:
 Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____
 Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____