

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
 AGENDA
 TUESDAY, SEPTEMBER 13, 2016
 (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
	III.	MINUTES
1 - 4	1.	AUGUST 9, 2016
	IV.	PUBLIC INPUT
	A.	MONTHLY REPORTS - RES NO. 2016-15
5 - 7	1.	PORTFOLIO VALUE 1/01/16 - 8/31 /16
	2.	CHANGE IN BOOK AND MARKET VALUE – 7/31/16
8 - 11	3.	MONEY MANAGER REPORTS
	a.	C.S. MCKEE – 7/31/16
	b.	MFS – 7/31/16
12 - 14	4.	RECAPTURE SERVICES
	a.	CAPIS – 7/31/16
15 - 16	5.	VEBA YTD BUDGET REPORT 8/31/16
17	6.	INVOICES APPROVED – 8/31/16
18 – 22	B.	2017 BUDGET PROPOSAL RES NO. 2016-16
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, OCTOBER 11, 2016 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)
AUGUST 9, 2016 - REGULAR MEETING**

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

The meeting of the Board of Trustees was held on August 9, 2016 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. Coonan, Ms. Gonzales, Mr. Gromaski, Mr. Krygier, Mr. Morse, Mr. Pett, Mr. Starkweather.

Trustees Absent: Mr. Brzezinski

Also Present:

Consultant: The Bogdahn Group: Peter Brown.

Finance Officer: Jan Histed

Retirement Administrator: Katie Meeth

Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 2:47 p.m.

MOTION 26: Moved, supported and carried to excuse Trustee Brzezinski.

MOTION 27: Moved, supported and carried to approve the minutes, as printed, from the July 12, 2016 regular meeting.

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

Present today is Peter Brown from The Bogdahn Group to give the second quarter report. A copy of his presentation was provided to Trustees, in advance, via the web.

Mr. Brown went over a recap of the asset allocation. The Fund remains in compliance. It is slightly above target when it comes to the mix of stocks and bonds. There is an allocation of 56% stocks compared to a target of 53% and a maximum of 58%. It is beginning to approach that maximum line. Similarly, it is under exposed to fixed income. Currently the exposure is about 43% for fixed income and minimum target is 42%. It is still a conservative portfolio and appropriate for a VEBA account.

The Fund is slightly overweight in Dodge & Cox and MFS. It is underweight in C.S. McKee. In terms of returns, the Fund was positive, although a little behind the policy and a little behind the Master Trust. That is really a result of underperformance with the equity. For the quarter it was up 1.9% versus the policy of 2.8%. It put the Fund at the 47th percentile so behind our policy, but still above the median. Fiscal year to date for six months it is up 3.1% versus the index at 5.4%. Again, it is a little behind, but still above median. Over the one-year, it is up 1.9% versus the index at 4.1% and in the 27th percentile so still nearly the top quartile. The Dodge & Cox fund did underperform. They have underperformed for a year. You can see for the quarter they are up 1.7% versus the index at 4.6% and for the one-year they are down -5% versus the index +2.9%. That is really exposure to energy and health care and some other things like stock selection that did not work out as well.

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
AUGUST 9, 2016 - REGULAR MEETING**

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The driver of the index has been fixed income. Fixed income has been positive over a one-year basis. C.S. McKee captured that.

There are no recommendations or changes needed for the Fund.

MOTION 28: Moved, supported and carried to receive the report from The Bogdahn Group.

RES. 2016-14:

Moved, supported and carried to adopt resolution 2016-14 to receive the monthly reports Portfolio Value ending 07/31/16 (Today's value is \$45,227,000), Monthly Change in Book and Market Value ending 6/30/16, C.S. McKee performance report ending 6/30/16, Dodge & Cox – Ending 6/30/16, MFS – Ending 6/30/16 2Q; Capis Recapture services ending 6/30/16, VEBA YTD Budget Report ending 7/31/2016, and Approved Invoices Report ending 7/31/16.

ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, September 13, 2016 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 29: Moved, supported and carried to adjourn the meeting at 2:52 p.m.

Respectfully submitted,



Jan Histed
Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE VEBA BOARD OF TRUSTEES COMMITTEE
AUGUST 9, 2016

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 AT 2:47 P.M.

MOTIONS

Trustee	26	27	28	29				
BRZEZINSKI	E	E	E	E				
COONAN	Y	Y	Y	Y				
GONZALES	Y	S-Y	Y	Y				
GRAY	Y	Y	Y	Y				
GROMASKI	S-Y	Y	Y	Y				
KRYGIER	M-Y	Y	M-Y	M-Y				
MORSE	Y	Y	S-Y	S-Y				
PETT	Y	M-Y	Y	Y				
STARKWEATHER	Y	Y	Y	Y				

MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE
AUGUST 9, 2016

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 AT 2:47 P.M.

RESOLUTIONS

Trustee	2016-14							
BRZEZINSKI	E							
COONAN	Y							
GONZALES	Y							
GRAY	Y							
GROMASKI	M-Y							
KRYGIER	Y							
MORSE	Y							
PETT	S-Y							
STARKWEATHER	Y							

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
09/13/2016
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 - 1/1/16 - 8/31/16
2. CHANGE IN BOOK AND MARKET VALUE – 7/31/16
3. MONEY MANAGER REPORTS
 - a. C.S. MCKEE – ENDING 7/31/16
 - b. MFS GROWTH EQUITY – ENDING 7/31/16
4. RECAPTURES SERVICES
 - a. CAPIS - SUMMARY ENDING 7/31/16
5. VEBA YTD BUDGET REPORT – ENDING 8/31/16
6. INVOICES APPROVED - 8/31/16

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS - SEPTEMBER

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 Gonzales				Ernie Krygier				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. Actual fund Mgrs (as opposed to separately managed mngt) deduct fee from portfolio.</small>	<u>CASH</u>	<u>ATALANTA SOSNOFF</u>	<u>LORD ABBOTT</u> <small>No vendor number. Actual fund Mgrs (as opposed to separately managed mngt) deduct fee from portfolio.</small>	<u>CS MCKEE</u>	<u>MFS</u>	<u>TOTAL</u>
VENDOR #			1061		3509		
JAN	9,372,807.82	242,295.57	9,238,509.71	7,037,168.25	15,638,042.35		41,528,814.70
FEB	9,962,923.15	249,127.33	9,745,731.68	7,468,844.28	15,512,818.11		42,939,444.61
MARCH	9,503,339.19	127,069.84	9,348,931.59	7,533,533.53	16,301,509.84		42,812,883.69
APRIL	9,759,073.66	118,394.44	9,323,633.72	7,461,656.59	16,255,829.65		42,918,568.06
MAY	9,859,876.45	90,416.59	9,466,375.99	7,523,160.66	16,228,630.68		43,198,460.67
JUNE	9,746,608.25	94,687.29	9,387,431.67	7,523,160.66	16,098,951.56		42,851,069.43
JULY	9,856,782.12	122,254.13	9,694,347.47	7,541,149.69	16,187,562.71		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	6,928,978.49	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	9,436,387.19	164,098.93	9,752,744.38	7,291,828.82	16,345,694.97		43,010,752.29
DEC	9,163,741.48	193,196.27	7,415.58	7,048,514.63	16,277,014.67	9,739,019.02	42,451,901.65

ATALANTA SOSNOFF LARGE CAP EQUITY
CS MCKEE FIXED INCOME
DODGE & COX LARGE CAP EQUITY
LORD ABBETT SMALL M.D CAP EQUITY

	<u>DODGE & COX</u>	<u>ATALANTA 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		11,734.00		12,233.32	23,967.32
4TH QTR				12,214.75	12,214.75
		47,078.00		48,749.99	95,827.99

VEBA 2016	<u>DODGE & COX</u> <small>No vendor number. Actual fund Mgrs (as opposed to separately managed mngt) deduct fee from portfolio.</small>	<u>CASH</u>	<u>ATALANTA SOSNOFF</u>	<u>LORD ABBOTT</u> <small>No vendor number. Actual fund Mgrs (as opposed to separately managed mngt) deduct fee from portfolio.</small>	<u>CS MCKEE</u>	<u>MFS</u>	<u>TOTAL</u>
VENDOR #			1061		3509		
January-16	8,556,308.57	268,524.93	1,489.48	6,885,474.41	16,476,306.40	9,247,614.05	41,235,715.84
February-16	8,497,608.96	343,099.83	1,489.77	6,712,509.32	16,628,173.94	9,082,194.27	41,265,016.69
March-16	9,095,859.65	343,177.63	1,490.08	7,268,656.04	16,816,245.91	9,689,722.49	43,121,161.05
April-16	9,238,597.33	273,273.00	1,490.38	7,326,587.59	16,885,559.11	9,548,266.79	43,324,174.60
May-16	8,361,507.07	132,628.36		8,586,314.73	18,592,843.35	8,292,708.42	43,966,001.93
June-16	8,141,156.33	118,995.01		8,554,013.32	18,846,484.64	8,225,469.79	43,566,139.09
July-16	8,578,851.32	155,072.92		8,850,965.32	18,965,859.64	8,639,450.47	45,168,199.67
August-16	8,762,765.73	227,327.87		8,957,336.18	18,952,590.64	8,569,030.06	45,470,050.48
September-16							0.00
October-16							0.00
November-16							0.00
December-16							0.00

ATALANTA SOSNOFF LARGE CAP EQUITY
CS MCKEE FIXED INCOME
DODGE & COX LARGE CAP EQUITY
LORD ABBETT SMALL M.D CAP EQUITY

	<u>DODGE & COX</u>	<u>ATALANTA SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>MFS</u>	<u>TOTAL</u>
2016						
1ST QTR				12,612.18	13,342.55	25,954.73
2ND QTR				14,148.91		14,148.91
3RD QTR						0.00
4TH QTR						0.00

Portfolio Statement

1 JUL 16 - 31 JUL 16

Account number BCVEBA
Account Name BAY COUNTY VEBA CONSOLIDATED

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◆ Change in Book and Market Value

	Cost	Market value	For more information
Opening balance	39,875,892.48	43,885,887.83	
Miscellaneous Cash Receipts	6,922.66	6,922.66	See funding & disbursement summary
Sponsor Contributions	29,177.14	29,177.14	See funding & disbursement summary
Total receipts	36,099.80	36,099.80	See funding & disbursement summary
Income received	49,250.80	49,250.80	See income & expense summary, cash activity detail
Expenses paid	- 1,218.07	- 1,218.07	See income & expense summary
Unrealized gain/loss change	0.00	1,214,105.75	See asset summary
Realized gain/loss	8,117.18	8,117.18	See realized gain/loss summary
Accrued income change	- 2,454.73	- 2,454.73	See income & expense summary
Closing balance	39,965,687.46	45,189,788.56	

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C.S. McKee, L.P.

Account Overview

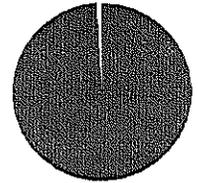
Bay County VEBA

Client Code: 90477
 As Of Date: 7/31/2016
 Report: Calendar

Asset Allocation

As of 7/31/2016

Large-Cap Equity	\$	-	0.00%
Smid-Cap Equity	\$	-	0.00%
Small-Cap Equity	\$	-	0.00%
Fixed Income	\$	18,817,263.70	99.14%
Intl Mutual Fund	\$	-	0.00%
Cash	\$	164,016.16	0.86%
Other	\$	-	0.00%
Total Portfolio:	\$	18,981,279.86	100.00%



Performance

As of 7/31/2016

Portfolio Summary - Month-to-Date	Total Portfolio	Large-Cap Equity	Smid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	18,865,435.86	-	-	-	-	18,865,435.86	-
Net Contributions (Distributions):	-	-	-	-	-	-	-
Income:	47,009.61	-	-	-	-	47,009.61	-
Market Appreciation (Depreciation):	68,834.39	-	-	-	-	68,834.39	-
Ending Market Value:	18,981,279.86	-	-	-	-	18,981,279.86	-
Dollar-Weighted Return:	0.61%	-	-	-	-	0.61%	-

Time-Weighted Returns		Total Portfolio	Large-Cap Equity	Smid-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	
			Ex Cash	Ex Cash	Ex Cash	Ex Cash	Ex Cash		
MTD	Gross	0.62%	-	-	-	-	0.62%	0.62%	-
	Net	0.59%	-	-	-	-	0.59%	0.60%	-
	Benchmark	0.63%	-	-	-	-	0.63%	0.63%	-
	Value Added (Gross)	(0.01%)	-	-	-	-	(0.01%)	(0.01%)	-
QTD	Gross	0.62%	-	-	-	-	0.62%	0.62%	-
	Net	0.59%	-	-	-	-	0.59%	0.60%	-
	Benchmark	0.63%	-	-	-	-	0.63%	0.63%	-
	Value Added (Gross)	(0.01%)	-	-	-	-	(0.01%)	(0.01%)	-
YTD	Gross	5.90%	-	-	-	-	5.90%	6.03%	-
	Net	5.72%	-	-	-	-	5.72%	5.85%	-
	Benchmark	5.98%	-	-	-	-	5.98%	5.98%	-
	Value Added (Gross)	(0.08%)	-	-	-	-	(0.08%)	0.05%	-
1 Year	Gross	6.42%	-	-	-	-	6.42%	6.59%	-
	Net	6.10%	-	-	-	-	6.10%	6.27%	-
	Benchmark	5.94%	-	-	-	-	5.94%	5.94%	-
	Value Added (Gross)	0.48%	-	-	-	-	0.48%	0.65%	-
3 Year	Gross	4.62%	-	-	-	-	4.62%	4.74%	-
	Net	4.31%	-	-	-	-	4.31%	4.42%	-
	Benchmark	4.23%	-	-	-	-	4.23%	4.23%	-
	Value Added (Gross)	0.39%	-	-	-	-	0.39%	0.51%	-
5 Year	Gross	0.00%	-	-	-	-	0.00%	0.00%	-
	Net	0.00%	-	-	-	-	0.00%	0.00%	-
	Benchmark	0.00%	-	-	-	-	0.00%	0.00%	-
	Value Added (Gross)	0.00%	-	-	-	-	0.00%	0.00%	-
ITD	Gross	3.51%	-	-	-	-	3.51%	3.63%	-
	Net	3.22%	-	-	-	-	3.22%	3.33%	-
	Benchmark	3.06%	-	-	-	-	3.06%	3.06%	-
	Value Added (Gross)	0.45%	-	-	-	-	0.45%	0.57%	-

Benchmark/History	Total Portfolio	Large-Cap Equity	Mid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
2/7/2012 8CAGG 100%						2/7/2012 8CAGG 100%	

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Bay County Voluntary Employees' Beneficiary Association Trust
Growth Equity



Performance results (%) gross and net of fees (USD)	Portfolio		Benchmark ^A	Excess returns Net vs benchmark
	Gross of fees	Net of fees		
July 2016	5.03	4.98	4.72	0.26
2016 YTD	4.85	4.50	6.15	-1.65
Since client inception (30-Dec-15)	3.08	2.74	4.30	-1.56

Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized.

Past performance is no guarantee of future results.

^A Russell 1000[®] Growth Index

Asset summary (USD)	
Beginning value as of 30-Jun-16	8,225,424
Contributions	0
Withdrawals	0
Change in market value	+414,028
Ending value as of 31-Jul-16	8,639,452

Characteristics	Portfolio	Benchmark ^{AA}
IBES long-term EPS growth - weighted average ¹	16.7%	14.3%
Price/earnings (12 months forward ex-negative earnings) - weighted average	23.1x	19.4x
Market capitalization (USD) ²	127.1 bn	144.9 bn
Top ten holdings	29%	25%
Number of holdings	85	603
Barra predicted tracking error ³	2.31%	-

¹ Source: Thomson Reuters

² Weighted average.

³ Source: Barra

No forecasts can be guaranteed.

Portfolio characteristics are based on equivalent exposure, which measures how a portfolio's value would change due to price changes in an asset held either directly or, in the case of a derivative contract, indirectly. The market value of the holding may differ.

Top 10 issuers	Sector	% of Portfolio
ALPHABET INC	Technology	6.4
FACEBOOK INC	Technology	4.0
VISA INC	Financial Services	3.6
AMAZON.COM INC	Retailing	3.4
THERMO FISHER SCIENTIFIC INC	Health Care	2.7
MICROSOFT CORP	Technology	2.5
ADOBE SYSTEMS INC	Technology	2.4
MASTERCARD INC (EQ)	Financial Services	2.3
DANAHER CORP	Industrial Goods & Services	2.1
SBA COMMUNICATIONS CORP	Utilities & Communications	2.1

Sectors (%)	Portfolio	Benchmark ^{AA}
Technology	22.5	23.8
Health Care	15.8	17.2
Retailing	15.1	11.5
Financial Services	9.2	6.3
Special Products & Services	7.6	5.4
Consumer Staples	6.8	8.0
Leisure	6.6	10.4
Industrial Goods & Services	5.1	6.5
Autos & Housing	3.2	2.4
Utilities & Communications	2.1	2.2
Transportation	1.5	2.0
Basic Materials	1.4	3.9
Energy	0.9	0.4

2.2% Cash & cash equivalents

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.
MFS Institutional Advisors, Inc.

^{AA} Russell 1000[®] Growth Index

FOR MORE INFORMATION CONTACT

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Bay County Voluntary Employees' Beneficiary Association Trust - Growth Equity

BYS

Valuation Summary

31-Jul-16

Portfolio Currency: USD

	Cost	Market Value	Accrued Income	Total Value	Total Value
CASH	183,747.23	183,747.23	0.00	183,747.23	2.13 %
COMMON STOCK	7,968,683.55	8,372,436.14	2,589.83	8,375,025.97	96.94 %
ADR	74,753.78	80,678.44	0.00	80,678.44	.93 %
	<u>8,227,184.56</u>	<u>8,636,861.81</u>	<u>2,589.83</u>	<u>8,639,451.64</u>	<u>100.00 %</u>
Accrued Income:		2,589.83			
Total Value:		<u>8,639,451.64</u>			

This report contains trade date position values, calculated by MFS. This is not the official book of record for the account. Cash is a net cash balance comprised of cash on deposit, and payables and receivables that have not settled.



Bay County Employees' VEBA

CAPIS Account: 10250

Settlement Month Ending: 7/31/2016

Summary of Segregated Account Detail

	July	YTD
Payment from Segregated Account	\$ 0.00	\$ 63.25
	<u>\$ 0.00</u>	<u>\$ 63.25</u>

Voucher Amount

Segregated Account Detail

Service Period	Comments/Notes	Vendor Invoice #	Date Paid	July	Prior Months	YTD	Mixed Use %
Payment from Segregated Account							
December 2015	Commission Recapture	305658Bay Count	01/15/2016		\$ 63.25		
		Payment from Segregated Account Total		<u>\$ 0.00</u>	<u>\$ 63.25</u>	<u>\$ 63.25</u>	
		Grand Total		<u>\$ 0.00</u>	<u>\$ 63.25</u>	<u>\$ 63.25</u>	

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Bay County Employees' VEBA

CAPIS Account: 10250

Settlement Month Ending: 7/31/2016

Summary of Activity by Month

	Commission		Recapture Allocation		Redeemed Recapture		Balance
	Month	YTD	Month	YTD	Month	YTD	
Beginning Balance							\$ 63.25
January	\$0.00	\$0.00	\$0.00	\$0.00	\$63.25	\$63.25	\$0.00
February	.00	.00	.00	.00	.00	63.25	.00
March	.00	.00	.00	.00	.00	63.25	.00
April	.00	.00	.00	.00	.00	63.25	.00
May	.00	.00	.00	.00	.00	63.25	.00
June	.00	.00	.00	.00	.00	63.25	.00
July	.00	.00	.00	.00	.00	63.25	.00

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AUGUST YTD VEBA BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANSFERS/ADJ. SMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
FUND BALANCE	-	-	-	-	-	-	0.00%
NET ASSETS - RESERVES	1,685,865.00	-	1,685,865.00	-	-	1,685,865.00	0.00%
Total RA FUND BALANCE, NET AS	1,685,865.00	-	1,685,865.00	-	-	1,685,865.00	0.00%
ER CONTR-BEHAVE.HEALTH	(250,000.00)	-	(250,000.00)	-	-	(250,000.00)	0.00%
ER CONTR-MOSQUITO CONT	-	-	-	-	-	-	0.00%
ER CONTR-HEALTH FUND	-	-	-	-	-	-	0.00%
ER CONTR-ROAD COMMISS.	-	-	-	-	-	-	0.00%
ER CONTR-LIBRARY	(48,000.00)	-	(48,000.00)	(12,000.00)	-	(36,000.00)	25.00%
ER CONTR-GOLF COURSE	-	-	-	-	-	-	0.00%
ER CONTR-GENERAL FUND	-	-	-	-	-	-	0.00%
ER CONTR-DWS	(32,000.00)	-	(32,000.00)	(21,650.08)	-	(10,349.92)	67.70%
ER CONTR-911 SERVICE	-	-	-	-	-	-	0.00%
ER CONTR-CHILD CARE	-	-	-	-	-	-	0.00%
ER CONTR-DIV ON AGING	-	-	-	-	-	-	0.00%
ER CONTR-RETIRE SYSTEM	-	-	-	-	-	-	0.00%
ER CONTR-GYPSY MOTH	-	-	-	-	-	-	0.00%
ER CONTR-HOME REHABIL.	-	-	-	-	-	-	0.00%
ER CONTR-100% TAX PYMT	-	-	-	-	-	-	0.00%
ER CONTR-MED CARE FAC.	(250,000.00)	-	(250,000.00)	(38,426.57)	-	(211,573.43)	15.40%
ER CONTR-SELF INSURANC	-	-	-	-	-	-	0.00%
ER CONTR-COMM.CORRECT.	-	-	-	-	-	-	0.00%
ER CONTR-F.O.C. FUND	-	-	-	-	-	-	0.00%
ER CONTR-HOUSING FUND	-	-	-	-	-	-	0.00%
ER CONTR-SOLDIER RELIE	-	-	-	-	-	-	0.00%
ER CONTR-SHERIFF DEPT	-	-	-	-	-	-	0.00%
Total RJ LOCAL UNIT CONTRIBUT	(580,000.00)	-	(580,000.00)	(72,076.65)	-	(507,923.35)	12.40%
INVESTMENT INTEREST/DIVIDENDS	(500,000.00)	-	(500,000.00)	(112,731.90)	-	(387,268.10)	22.50%
GAIN ON SALE OF INVESTMENTS	(1,200,000.00)	-	(1,200,000.00)	(268,580.14)	-	(931,419.86)	22.40%
UNREALIZED GAIN ON INVESTMENTS	-	-	-	-	-	-	0.00%
SECURITIES LENDING EARNINGS	-	-	-	(2,118.11)	-	2,118.11	100.00%
Total RP INTEREST & RENTALS	(1,700,000.00)	-	(1,700,000.00)	(383,430.15)	-	(1,316,569.85)	22.60%
MISCELLANEOUS REVENUES	-	-	-	-	-	-	0.00%
COMMISSION RECAPTURE	(6,900.00)	-	(6,900.00)	208.62	-	(7,108.62)	-3.00%
Total RR OTHER REVENUE	(6,900.00)	-	(6,900.00)	208.62	-	(7,108.62)	-3.00%
PER DIEM	360.00	-	360.00	-	-	360.00	0.00%
Total XE WAGES & SALARIES	360.00	-	360.00	-	-	360.00	0.00%
OFFICE SUPPLIES	100.00	-	100.00	-	-	100.00	0.00%
PRINTING AND BINDING	150.00	-	150.00	-	-	150.00	0.00%

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AUGUST YTD VEBA BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANSFRS/ADJSTMS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
POSTAGE	100.00	-	100.00	-	-	100.00	0.00%
COMPUTER SUPPLIES	50.00	-	50.00	-	-	50.00	0.00%
Total XI SUPPLIES	400.00	-	400.00	-	-	400.00	0.00%
PROFESSIONAL SERVICES	130,000.00	-	130,000.00	40,123.80	-	89,876.20	30.90%
ACTUARIAL SERVICES	39,300.00	-	39,300.00	-	-	39,300.00	0.00%
INVESTMENT/BANK SERVICE CHARGE	30,000.00	-	30,000.00	10,658.77	-	19,341.23	35.50%
LEGAL FEES	7,500.00	-	7,500.00	-	-	7,500.00	0.00%
CONSULTANTS	30,000.00	-	30,000.00	8,000.00	-	22,000.00	26.70%
LOCAL TRAVEL MILEAGE	-	-	-	-	-	-	0.00%
EQUIPMENT RENTAL-COPY MACHINES	55.00	-	55.00	-	-	55.00	0.00%
INDIRECT COST EXPENSE	10,420.00	-	10,420.00	6,078.33	-	4,341.67	58.30%
LOSS ON DISPOSAL OF ASSET	350,000.00	-	350,000.00	171,288.39	-	178,711.61	48.90%
UNREALIZED LOSS ON INVESTMENTS	-	-	-	-	-	-	0.00%
INSURANCE AND BONDS	3,000.00	-	3,000.00	3,125.63	-	(125.63)	104.20%
Total XL OTHER SERVICES AND C	600,275.00	-	600,275.00	239,274.92	-	361,000.08	39.90%
Total 73627401 VOL.EMPLOYEE BENEF.A	-	-	-	(216,023.26)	-	216,023.26	100.00%
Total 7360 PUBLIC EMPLOYEE HEALTH C	-	-	-	(216,023.26)	-	216,023.26	100.00%
Revenue Total	(601,035.00)	-	(601,035.00)	(455,298.18)	-	(145,736.82)	75.80%
Expense Total	601,035.00	-	601,035.00	239,274.92	-	361,760.08	39.80%
Grand Total	-	-	-	(216,023.26)	-	216,023.26	100.00%

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VEBA

Invoices Approved:

Aug-16

Invoice Date	Vendor	Amount	Description
7/14/2016	CS McKee	\$14,148.91	Q2 2016 Money Manager fees
7/25/2016	Bogdahn	\$ 4,000	Q3 Consulting fees
7/20/2016	MFS	\$12,633.06	Q2 2016 Money Manager fees
8/17/2016	Johnston Lewis Associates	\$ 3,125.63	2016 Fiduciary Liability policy



**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**

BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner
Bay County Executive

Jan Histed
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Kristal Goetz
Richard Gromaski
Ernie Krygier
Jon Morse
Matthew Pett
Thomas Starkweather

ADMINISTRATIVE STAFF
Rebecca Marsters
Katie Meeth
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

TO: Steven Gray, Chairman Bay County Voluntary Employees' Beneficiary Association
FROM: Jan Histed^{CHH} Secretary, Bay County Voluntary Employees' Beneficiary Association
DATE: September 1, 2016
RE: Annual Budget Approval for Fiscal Year 2017

BACKGROUND:

Annual renewal of Bay County Employees' Beneficiary Association – VEBA operating budget. The 2017 VEBA budget was prepared using all known estimates and calculations at this time for revenue and expenditures. The 2017 Budget is for the budget period of January 1, 2017 through December 31, 2017.

FINANCIAL INFORMATION:

The 2017 budgeted expenditures are submitted at \$546,850 which is a reduction of (\$53,695) over the 2016 budgeted expenditures in the amount of \$601,035.

The 2017 VEBA Fund revenue is budgeted at \$601,035 which is the same level as the Fiscal Year 2016 budgeted revenue.

RECOMMENDATION:

THAT THE BOARD APPROVE THE ANNUAL 2017 BUDGET AS SUBMITTED

VEBA NEXT YEAR BUDGET HISTORICAL COMPARISON

ACCOUNTS FOR:		2015 ACTUALS	2016 ACTUALS	2016 REVISED BUDGET	2017 BUDGET	
73627401	VOL.EMPLOYEE BENEF.ASSOC.BOARD					
RA	FUND BALANCE					
73627401	40001 FUND BALANCE	-	-	-		
73627401	40004 NET ASSETS - RESERVES	-	-	1,685,865.00	1,685,865.00	
TOTAL	FUND BALANCE	-	-	1,685,865.00	1,685,865.00	
RJ	LOCAL UNIT CONTRIBUT					
73627401	59401 ER CONTR-BEHAVE.HEALTH	-	-	(250,000.00)	(250,000.00)	
73627401	59406 ER CONTR-LIBRARY	(48,000.00)	(28,000.00)	(48,000.00)	(48,000.00)	
73627401	59409 ER CONTR-DWS	(35,294.45)	(53,660.73)	(32,000.00)	(32,000.00)	
73627401	59419 ER CONTR-MED CARE FAC.	(254,267.93)	(117,494.92)	(250,000.00)	(250,000.00)	
TOTAL	LOCAL UNIT CONTRIBUT	(337,562.38)	(199,155.65)	(580,000.00)	(580,000.00)	
RP	INTEREST & RENTALS					
73627401	66400 INVESTMENT INTEREST/DIVIDENDS	(714,543.95)	(268,281.06)	(500,000.00)	(500,000.00)	
73627401	66500 GAIN ON SALE OF INVESTMENTS	(2,919,199.63)	(857,972.86)	(1,200,000.00)	(1,200,000.00)	
73627401	66600 SECURITIES LENDING EARNINGS	(894.20)	(5,519.02)	-	-	
TOTAL	INTEREST & RENTALS	(3,634,637.78)	(1,131,772.94)	(1,700,000.00)	(1,700,000.00)	
RR	OTHER REVENUE					
73627401	69000 COMMISSION RECAPTURE	(8,037.09)	208.62	(6,900.00)	(6,900.00)	
TOTAL	OTHER REVENUE	(8,037.09)	208.62	(6,900.00)	(6,900.00)	
XE	WAGES & SALARIES					
73627401	71000 PER DIEM	-	-	360.00	360.00	
TOTAL	WAGES & SALARIES	-	-	360.00	360.00	
XI	SUPPLIES					
73627401	72700 OFFICE SUPPLIES	-	-	100.00	100.00	
73627401	72800 PRINTING AND BINDING	-	-	150.00	150.00	
73627401	72900 POSTAGE	4.34	-	100.00	100.00	
73627401	75100 COMPUTER SUPPLIES	-	-	50.00	50.00	
TOTAL	SUPPLIES	4.34	-	400.00	400.00	
XL	OTHER SERVICES AND C					
73627401	80100 PROFESSIONAL SERVICES	106,610.38	40,123.80	130,000.00	130,000.00	
73627401	80101 ACTUARIAL SERVICES	39,300.00	-	39,300.00	-	*VALUATION DONE EVERY OTHER YEAR
73627401	81400 INVESTMENT/BANK SERVICE CHARGE	28,845.32	40,966.82	30,000.00	30,000.00	
73627401	81700 LEGAL FEES	-	-	7,500.00	-	*PER SHAWNA REMOVE
73627401	81900 CONSULTANTS	14,500.00	8,000.00	30,000.00	30,000.00	
73627401	86600 LOCAL TRAVEL MILEAGE	-	-	-	-	

73627401	94601 EQUIPMENT RENTAL-COPY MACHINES	-	-	55.00	55.00	
73627401	95600 INDIRECT COST EXPENSE	6,046.00	6,078.33	10,420.00	1,765.00	*Per Maximus
73627401	96200 LOSS ON DISPOSAL OF ASSET	556,488.02	247,158.49	350,000.00	350,000.00	
73627401	96201 UNREALIZED LOSS ON INVESTMENTS	2,904,643.41	-	-	-	
73627401	96500 INSURANCE AND BONDS	2,937.45	3,125.63	3,000.00	4,000.00	*BASED OFF LAST CHUBB INVOICE
TOTAL	OTHER SERVICES AND C	3,659,370.58	345,453.07	600,275.00	545,820.00	

TOTAL	VOL.EMPLOYEE BENEF.ASS	(320,862.33)	(985,266.90)	-	
TOTAL	PUBLIC EMPLOYEE HEALTH	(320,862.33)	(985,266.90)	-	

Total	TOTAL REVENUE		(601,035.00)	(601,035.00)
Total	TOTAL EXPENSE		601,035.00	546,580.00
Total	GRAND TOTAL			(54,455.00)

Bay County, Michigan
Central Service Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2015
Allocated Costs By Department

Detail

Central Service Departments	Cmsary 595-35100	House 535-67100	Insurm 677-87200	Claim 6771-87200	Retire 731-27400	VEBA 736-27400	Correc 764-35100
Building Depreciation	408	0	48	0	359	0	0
Equipment Depreciation	0	0	0	0	0	0	0
County Commission	226	994	524	287	1,310	134	20
Accounting 101-19100	1,268	5,787	2,997	1,643	39,048	2,159	114
Payroll 101-20200	0	1,341	11,231	21,485	22,813	0	0
Budget 101-21200	195	1,349	708	1,008	2,644	331	31
Administrative Serv 101-27200	0	523	27	0	196	0	0
Information Services	0	9,277	0	0	4,344	0	0
Financial System MUNIS	264	2,054	676	348	1,912	171	24
Purchasing 101-23300	0	0	0	0	276	0	0
Treasurer 101-25300	1,378	673	46	564	818	52	66
Buildings & Grounds	1,408	0	1,059	0	7,948	0	0
Corporation Counsel	0	18,024	0	0	37,811	0	0
Personnel 101-27000	0	3,477	135	0	23,375	0	0
Riso Print/Postage 101-29800	0	41	0	0	183	1	0
Recreation & Fac 101-75110	0	0	0	0	0	0	0
Park Maintenance	0	0	0	0	0	0	0
Risk Management	120	1,344	122	0	920	0	0
Retiree Insurance 101-87800	0	(6,498)	1,080	0	4,332	0	0
Building Authority 101-27900	0	0	0	0	0	0	0
Total Allocated	5,267	38,386	18,653	25,335	148,289	2,848	255
Roll Forward	717	15,588	8,521	12,726	48,046	(1,083)	0
Cost With Roll Forward	5,984	53,974	27,174	38,061	196,335	1,765	255
Adjustments	0	0	0	0	0	0	0
Proposed Costs	5,984	53,974	27,174	38,061	196,335	1,765	255



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**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
09/13/2016
RESOLUTION**

BY: ADMINISTRATION

WHEREAS, The 2017 Bay County Voluntary Employees' Beneficiary Association ("VEBA") budget was prepared using all known estimates and calculations at this time for revenue and expenditures.

WHEREAS, The 2017 Budget is for the budget period of January 1, 2017 through December 31, 2017.

WHEREAS, The 2017 budgeted expenditures are submitted at \$546,850 which is a reduction of (\$53,695) over the 2016 budgeted expenditures in the amount of \$601,035.

WHEREAS, The VEBA Fund revenue is budgeted at \$601,035 which is the same level as the Fiscal Year 2016 budgeted revenue. Therefore, Be It

RESOLVED That this Board approve the annual 2017 Budget as submitted.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION – 2017 BUDGET PROPOSAL

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 Gonzales				Ernie Krygier				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____