

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
 AGENDA
 TUESDAY, OCTOBER 9, 2018
 (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 - 6	1.	SEPTEMBER 11, 2018
	IV.	PUBLIC INPUT
	A.	MONTHLY REPORTS - RES NO. 2018-11 (APPROVE)
7 - 9	1.	PORTFOLIO VALUE 1/01/18 - 9/30 /18
	2.	CHANGE IN NET ASSETS - 9/30/18
10 - 18	3.	MONEY MANAGER REPORTS
	a.	C.S. MCKEE - ENDING 8/31/18
	b.	DODGE & COX - ENDING 8/31/18
	c.	LOOMIS - ENDING 8/31/18
	d.	MFS - ENDING 8/31/18
19 - 20	4.	RECAPTURE SERVICES
	a.	CAPIS - 8/31/18
21 - 30	5.	COMERICA SUMMARY - ENDING 8/31/18
31 - 32	6.	VEBA YTD BUDGET REPORT 9/30/18
33	7.	INVOICES APPROVED - 9/30/18
	B.	<u>ASSET ALLOCATION ANALYSIS</u> - ANDCO CONSULTING - PETER BROWN & HOWARD POHL
34 - 42	C.	REVISED INVESTMENT POLICY STATEMENT - ANDCO CONSULTING, PETER BROWN AND HOWARD POHL. RES NO: 2018-13 (APPROVE)
43 - 47	D.	INVESTMENT RETURN ASSUMPTION
48 - 50	E.	2019 PROPOSED BUDGET RES NO. 2018-12 (APPROVE)
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, NOVEMBER 13, 2018 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

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, OCTOBER 9, 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

- VI. UNFINISHED BUSINESS
- VII. NEW BUSINESS
- VIII. MISCELLANEOUS BUSINESS
- IX. ADJOURNMENT

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
SEPTEMBER 11, 2018 – 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 September 11, 2018 at 1:39 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, Ms. Gonzales, Mr. Gromaski, Mr. Herek, Mr. Morse, Mr. Pett, Mr. Ryder, and Ms. Shutt.

Trustees Absent: None

Also Present:

Consultant: AndCo Consulting - Howard Pohl and Peter Brown.

Secretary: Jan Histed

Retirement Administrator: Katie Meeth

Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 1:39 p.m.

MOTION 35: Moved, supported and carried to approve the minutes, as printed, from the August 14, 2018 regular meeting.

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

Mr. Brown reviewed the Investment Return Assumption memo from GRS. He explained that in prior years they have had two different assumptions for the same portfolio. There was an actuarial assumption that, unfortunately for BABH, had a return of 7.5% and all other groups had a return of 5%. Due to changes in the actuarial standards practice we will have to use one assumption. GRS did an analysis and plugged in the current allocation using the arithmetic and geometric return assumptions by 12 investment consultants. The results showed significantly lower returns with a return assumption of about 6.25%. This is not out of line except that it is using short-term return assumptions. The key is they made a big assumption for 20 years from now using the same target assumption and their projection for the next 10 years and following decade after that would be exactly the same. He explained using the long-term assumptions providing for 30-year GASB type projections those are really for perpetuity where they believe returns will be stronger. If they plug in the asset allocation of the same as it is now, the 30-year projection is closer to 8%. The low end is a 5.5% return, the current assumption is 7.5%, and the high end should be 6.5%. Mr. Brown stated they would not be opposed to reducing the rate but he would be opposed to reducing it to something below 7% especially given the fact that they are adding money to the VEBA and in the process of revising the asset allocation. He stated the goal with the money coming into the VEBA plan the asset allocation will be closely what the asset allocation is for the Retirement System.

Trustee Brzezinski commented on the stock allocation and the investment return assumption of 6.5% makes sense. He believed they split it up because BABH is fully funded so they had money available to make it 7.5% and the others were underfunded. As far as the lower investment return assumption rates, he believes it is a reaction to the pressure coming from the state and politicians. Mr. Brown stated all actuaries are in

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
SEPTEMBER 11, 2018 – REGULAR MEETING**

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the theme right now of lower rates.

Ms. Walraven commented on the PA 202 as the source of pressure. It is the Treasury's assumptions that prefunded plans have an assumption of 7% and non-prefunded plans have an assumption of 3%. She clarified for Mr. Brzezinski this is for VEBA and the 3% is for the non-prefunded plans. She clarified we would not be a prefunded plan because our fiduciary net position is not projected to be sufficient to make all projected benefit payments. Ms. Meeth clarified 3% just for reporting purposes, not funding.

Trustee Pett asked Mr. Brown if he felt the rate should come down. Mr. Brown stated yes, in general, most plans are coming down 0.25% to 0.5% reducing their actuarial assumptions especially in the higher end. Ms. Meeth stated that BABH is the only one at 7.5%. The General County is at 5%. We will be approving one rate for everyone.

Mr. Jim Anderson and Ms. Shana Neeson of Gabriel Roeder & Smith joined the meeting via conference call.

Mr. Anderson addressed the memo regarding the investment return assumption for the VEBA. He stated under the prior rules for the VEBA they did funding and accounting together. He explained if you were prefunding the VEBA as BABH is, you were able to use a long-term rate of return. If you are not prefunding, the rules stated you needed to use a short-term rate. Those rates are 7.5% and 5% as of the last valuation. Under the new rules for VEBA which is really the new accounting rule which will divorce funding completely from accounting and have separate different results for different purposes. For purposes today, the discussion centers around what is the long-term rate of return based on investment expectations due to the VEBA's asset allocations which is currently 60%/40%. He stated GRS used the most recent allocation they were provided of 53% domestic equity, 5% international and 42% fixed income and explained how they came up with the rates in the tables on page 3, page 4 and the preferred range table on page 5. He stated they recommend a price inflation of 2.5% and they show a mid-point and high end. They also show assumed rate of return from 5.5% to 6% and they compared that to the current assumption. This means BABH will use a lower discount rate and that means their liabilities go up and funding status goes down. Whatever number is adopted for the assumed rate of return, BABH will still be over 100% funded using a lower interest rate and all the other groups will be boosted up. He explained GRS needs guidance from the Board for a new assumed rate of return to proceed with both the 12/31/17 funding for the valuation for the VEBA as well as for the GASB reporting later this year.

Trustee Brzezinski commented that Mr. Anderson stated they used 58% stock allocation but over the last year the stock allocation percentage has increased. He believes it is now at 62.5% stock and it will probably keep increasing closer to the 70% allocation in the Retirement System. He asked what that would do to the numbers. Mr. Anderson stated generally that would bump them all up. All the return right now is generally coming from the stock side of the equation. Fixed income of 40% would drag down the expectation returns.

Ms. Meeth asked how far in the future they would use these assumptions since the asset allocation will change when the stock portfolio is built up. Mr. Anderson stated regarding target allocation if they have an investment policy that says the target allocation will be 65% they would use that in terms of what they would expect the target allocation to be. To the question, they don't want to say if the market had a horrible year in the stock market so they would be less weighted in stock than they would be because of that return. They don't want things like that to bury the input to this model.

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
SEPTEMBER 11, 2018 – REGULAR MEETING**

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Mr. Pohl stated his concern that GRS has taken the 10-year projections from the various consulting firms and used that as a basis but then there is a big leap on page 4 where it states for the purposes of this analysis no adjustment has been made to the return expectations for 20 years. He asked why GRS was just duplicating the 10 years for the next 10 years. Mr. Anderson stated he was right they had different assumptions. If they had a 20-year expectations and the investment consultants had a 20-year numbers there would be a bump up in rates in the range. They do make a note that an assumption outside of this preferred range is not necessarily unreasonable. He believes the current 7.5% would be hard to justify in the current markets. He also stated that the Pension was switched to 7.25% based on last year's experience study. They will develop a similar memo to this as they did last year that will say what they expect for use in the next valuation and his expectation is they will have a range similar to this in terms of the high end of the range for the Pension even with the higher equity allocation currently.

Mr. Anderson stated they could rerun the numbers based on having a target allocation of either 62.5% or 65% and get a new set of numbers. On the flip side, a move from 7.5% to 7% would be reasonable and beyond he would expect that they still would be at the high end of a range. He stated moving to 7% would be a good move at this point. They will continue to look at this each year.

Ms. Meeth asked what the timeline was to respond. Mr. Anderson and Ms. Neeson stated after next month's board meeting or sometime before that.

Trustee Brzezinski asked Mr. Brown what they should base the change on as far as allocations. Mr. Brown recommended following the maximum allocation and revising the investment policy statement to increase the allocation. There were talks last February or March to increase it. The international position has been increased but as funding continues to improve they want to build that out. Trustee Brzezinski asked if they need a higher target allocation. Mr. Pohl recommended if the Board is looking at allocations similar to the Pension plan then 40% bonds or 30% bonds and international at 15% to 20% and stocks 55%. Something in that order would get it closer to the Pension plan. He stated inflation projections were at 2.5%.

Mr. Brown stated we need to get the information to GRS to rerun the numbers and then come back and vote on it next month. Ms. Meeth asked if that needed to be updated on the IPS first. Mr. Brown stated they will come back and revise the IPS.

Mr. Gromaski and the Board talked about the funding level of BABH after the change is made to the Investment return rate.

MOTION 36: Moved, supported and carried to approve AndCo Consulting change the asset allocation to Stocks 55%, International 15% and Bonds at 30% and provide the information to Gabriel Roeder Smith to update the numbers for the Investment Return Assumption.

Present today was Mr. Terrill Armstrong from Dodge & Cox to present the performance report.

Mr. Armstrong stated there are no changes in the firm or the team. Dodge & Cox has \$310 billion in assets under management as of the 2nd quarter with \$132 billion in equities and \$127 billion in fixed income over six

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SEPTEMBER 11, 2018 – REGULAR MEETING**

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strategies as well as \$93 billion in separate account business.

He reviewed the investment philosophy, the fund overview as well as the performance. The stock fund relative to the Russell 1000 Value Index for essentially all the time periods is ahead of the Russell Value Index since February of 2012 when Bay County originally invested with Dodge & Cox. Key contributors were information technology sector, consumer staples, industrials and financials. Detractors were consumer discretionary as well as energy due to underweight.

Mr. Armstrong reviewed the structure of the portfolio. About 17% of the portfolio is invested in information technology compared to 10% of the Russell 1000. The largest area of investment was in the financial sector. They will continue to add in the financial sector. He reviewed some of the largest holdings and the 10 largest holdings make up 1/3 of the stock fund. He also reviewed the holdings. They have added Comcast and 21st Century. They have also added Wells Fargo as well as Medtronic. They also added to their pharmaceutical holdings.

Dodge & Cox is a patient, long-term value oriented investor. They ask for patience from their clients particularly during periods of underperformance. He stated the thing to highlight is that since Bay County has invested with Dodge & Cox, it has been a pretty good time period on a relative basis. Markets are fickle. They aren't always moving up.

Mr. Pohl asked Mr. Armstrong to tell the Board about any thoughts on limiting the contributions in the fund or various closes or any concerns about how big the fund is getting. Mr. Armstrong stated they spend a lot of time talking about the capacity. He gave a contrast to what they have done with one of the underperformers in the fund. The stock fund is \$70 billion and they don't have any concern in terms of their ability to continue to invest stay true to their style and protect existing funds. That is the most defensive framework they can use and answer the question. He contrasted with the international stock fund which they initiated a soft close and it was closed to new investors 3 years ago. That fund continues to remain closed today primarily because they thought with continued additions they would have harmed the existing clients by straying away from the investment style.

Mr. Armstrong answered questions and concluded his presentation.

MOTION 37: Moved, supported and carried to receive the report from Dodge & Cox.

RES. 2018-10:

Moved, supported and carried to adopt resolution 2018-10 to receive the monthly reports Portfolio Value ending 8/31/18 (Today's Value \$57,145,000) Monthly Change in Net Assets ending 8/31/18, C.S. McKee performance report ending 7/31/18, Dodge & Cox ending 7/31/18, Loomis Sayles- Ending 7/31/18 and MFS – ending 7/31/18; Capis Recapture services ending 7/31/18, VEBA YTD Budget Report ending 8/31/18, Comerica Summary Earnings ending 7/31/18, and Approved Invoices Report ending 8/31/18.

MOTION 38: Moved, supported and carried to receive the 2019 proposed budget.

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
SEPTEMBER 11, 2018 – **REGULAR MEETING**

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ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, October 9, 2018 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

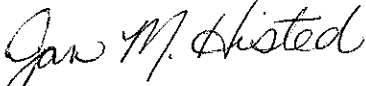
NEW BUSINESS: None

MISCELLANEOUS BUSINESS: None

ADJOURNMENT:

MOTION 39: Moved, supported and carried to adjourn the meeting at 2:40 p.m.

Respectfully submitted,



Jan Histed
Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE **VEBA BOARD OF TRUSTEES COMMITTEE**
SEPTEMBER 11, 2018

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 1:39 P.M.

MOTIONS

Trustee	35	36	37	38	39				
BRZEZINSKI	M-Y	M-Y	Y	S-Y	S-Y				
GONZALES	Y	Y	Y	Y	Y				
GRAY	Y	Y	Y	Y	Y				
GROMASKI	Y	S-Y	Y	M-Y	Y				
HEREK	Y	Y	Y	Y	M-Y				
MORSE	Y	Y	M-Y	Y	Y				
PETT	Y	Y	S-Y	Y	Y				
RYDER	Y	Y	Y	Y	Y				
SHUTT	S-Y	Y	Y	Y	Y				

RESOLUTIONS

Trustee	2018-10								
BRZEZINSKI	Y								
GONZALES	Y								
GRAY	Y								
GROMASKI	Y								
HEREK	Y								
MORSE	S-Y								
PETT	M-Y								
RYDER	Y								
SHUTT	Y								

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
10/09/2018
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 - 1/1/18 - 9/30/18
2. CHANGE IN NET ASSETS – 9/30/18
3. MONEY MANAGER REPORTS
 - a. C.S. MCKEE – ENDING 8/31/18
 - b. DODGE & COX - ENDING 8/31/18
 - c. LOOMIS SAYLES – ENDING 8/31/18
 - d. MFS GROWTH EQUITY – ENDING 8/31/18
4. RECAPTURES SERVICES
 - a. CAPIS - SUMMARY ENDING 8/31/18
5. VEBA YTD BUDGET REPORT – ENDING 9/30/18
6. COMERICA – SUMMARY EARNINGS 8/31/18
7. INVOICES APPROVED - 9/30/18

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS - OCTOBER

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Richard Gromaski				Matthew Pett			
Kristal Gonzales				Thomas Herek				Thomas Ryder			
Steve Gray				Jon Morse				Sandy Shutt			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

VEBA PORTFOLIO VALUE 2018

VEBA 2018	DODGE & COX	CASH	LORD ABBOTT	CS MCKEE	MFS	AMERICAN FUND	LOOMIS	TOTAL
Jan-18	9,216,495.21	297,191.85	10,662,863.79	16,468,728.52	9,674,923.21	2,677,502.74	5,000,000.00	53,997,705.32
Feb-18	8,925,709.49	304,762.08	10,438,225.33	16,225,238.47	9,581,161.00	2,570,546.44	4,926,778.24	52,972,421.05
Mar-18	8,567,329.65	515,050.14	10,183,635.03	16,331,844.27	9,314,996.99	3,997,779.71	4,939,853.55	53,850,489.34
Apr-18	8,628,614.89	165,590.08	10,128,723.42	16,204,343.60	9,396,766.20	4,506,740.40	4,939,853.55	53,970,632.14
May-18	8,803,702.06	538,553.78	10,493,137.06	16,305,299.90	9,935,346.30	4,367,928.58	4,921,548.11	55,365,515.79
Jun-18	8,825,508.52	538,963.23	10,538,064.79	16,325,788.89	9,901,094.39	4,318,136.25	4,921,548.11	55,369,104.18
Jul-18	9,207,993.69	123,770.99	10,807,630.99	16,325,080.29	10,127,902.18	5,013,409.39	4,942,468.62	56,548,256.15
Aug-18	9,359,766.60	283,217.09	11,192,012.47	16,421,154.56	10,599,381.96	4,894,225.76	4,942,468.62	57,692,227.06
Sep-18	9,374,879.71	321,163.48	11,192,012.51	16,342,251.21	10,779,023.14	4,867,622.70	4,963,389.12	57,840,341.87
Oct-18								0.00
Nov-18								0.00
Dec-18								0.00

Money Manager Fees

2018	CS MCKEE	MFS	LOOMIS	TOTAL
1ST QTR	12,310.53	13,131.14	4,278.03	29,719.70
2ND QTR	12,311.47	13,656.82	4,273.87	30,242.16
3RD QTR				0.00
4TH QTR				0.00

MFS

INVESTMENT LARGE CAP EQUITY
CS MCKEE FIXED INCOME - BONDS
DODGE & COX LARGE CAP EQUITY
LORD ABBETT SMALL MID CAP MUTUAL FUND
AMERICAN FUND INTERNATIONAL EQUITY
LOOMIS SAYLES DOMESTIC FIXED EQUITY

ACCOUNT STATEMENT

Statement Period
 Account Number

09/01/2018 through 09/30/2018
 M03380

276

Preliminary Changes In Net Assets

	COST VALUE	MARKET VALUE
BEGINNING BALANCE AS OF 09/01/2018	48,183,266.14	57,835,386.27
EARNINGS		
CASH INCOME	91,182.65	91,182.65
LESS PRIOR ACCRUED INCOME	122,192.51 -	122,192.51 -
PLUS CURRENT ACCRUED INCOME	109,009.17	109,009.17
REALIZED GAIN/LOSS ON SALE OF ASSETS	14,485.21	14,485.21
NET UNREALIZED GAIN OR LOSS	0.00	15,311.49 -
TOTAL EARNINGS	92,484.52	77,173.03
CONTRIBUTIONS & OTHER INCREASES		
EMPLOYER CONTRIBUTIONS	37,664.28	37,664.28
TOTAL CONTRIBUTIONS & OTHER INCREASES	37,664.28	37,664.28
DISTRIBUTIONS & OTHER DECREASES		
TOTAL DISTRIBUTIONS & OTHER DECREASES	0.00	0.00
ENDING BALANCE AS OF 09/30/2018	48,313,414.94	57,950,223.58

C.S. McKee, L.P.

Account Overview

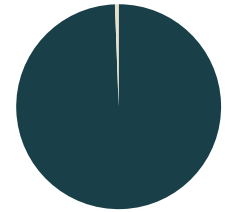
Bay County VEBA

Client Code: 90477
 As Of Date: 8/31/2018
 Report: Calendar

Asset Allocation

As of 8/31/2018

Large-Cap Equity	\$	-	0.00%
Small-Cap Equity	\$	-	0.00%
Fixed Income	\$	16,437,662.38	99.42%
Intl Mutual Fund	\$	-	0.00%
Cash	\$	95,739.00	0.58%
Other	\$	-	0.00%
Total Portfolio:	\$	16,533,401.38	100.00%



Performance

As of 8/31/2018

Portfolio Summary - Month-to-Date	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	16,425,728.33	-	-	-	16,425,728.33	-
Net Contributions (Distributions):	-	-	-	-	-	-
Income:	34,052.63	-	-	-	34,052.63	-
Market Appreciation (Depreciation):	73,620.42	-	-	-	73,620.42	-
Ending Market Value:	16,533,401.38	-	-	-	16,533,401.38	-
Dollar-Weighted Return:	0.66%	-	-	-	0.66%	-

Time-Weighted Returns	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund			
<i>Performance Start Date:</i>	2/7/2012	N/A	N/A	N/A	2/7/2012	N/A			
		<i>Ex Cash</i>	<i>Ex Cash</i>	<i>Ex Cash</i>	<i>Ex Cash</i>				
MTD	Gross	0.66%	-	-	-	-	0.66%	0.68%	-
	<i>Benchmark</i>	0.64%	-	-	-	-	0.64%	0.64%	-
	Value Added (Gross)	0.02%	-	-	-	-	0.02%	0.04%	-
QTD	Gross	0.72%	-	-	-	-	0.72%	0.74%	-
	<i>Benchmark</i>	0.67%	-	-	-	-	0.67%	0.67%	-
	Value Added (Gross)	0.05%	-	-	-	-	0.05%	0.07%	-
YTD	Gross	(0.45%)	-	-	-	-	(0.45%)	(0.51%)	-
	<i>Benchmark</i>	(0.96%)	-	-	-	-	(0.96%)	(0.96%)	-
	Value Added (Gross)	0.51%	-	-	-	-	0.51%	0.45%	-
1 Year	Gross	(0.30%)	-	-	-	-	(0.30%)	(0.37%)	-
	<i>Benchmark</i>	(1.05%)	-	-	-	-	(1.05%)	(1.05%)	-
	Value Added (Gross)	0.75%	-	-	-	-	0.75%	0.68%	-
3 Year	Gross	2.22%	-	-	-	-	2.22%	2.25%	-
	<i>Benchmark</i>	1.76%	-	-	-	-	1.76%	1.76%	-
	Value Added (Gross)	0.46%	-	-	-	-	0.46%	0.49%	-
5 Year	Gross	2.91%	-	-	-	-	2.91%	2.96%	-
	<i>Benchmark</i>	2.48%	-	-	-	-	2.48%	2.48%	-
	Value Added (Gross)	0.43%	-	-	-	-	0.43%	0.48%	-
ITD	Gross	2.43%	-	-	-	-	2.43%	2.49%	-
	<i>Benchmark</i>	1.98%	-	-	-	-	1.98%	1.98%	-
	Value Added (Gross)	0.45%	-	-	-	-	0.45%	0.51%	-

Benchmark History
2/7/2012
BCAGG 100%

Total Portfolio

Large-Cap Equity

Small-Cap Equity

Total Domestic Equity

Fixed Income
2/7/2012
BCAGG 100%

Intl Mutual Fund

DODGE & COX FUNDS

Total Rates of Return For Periods Ending August 31, 2018

	1 Mo. Ended	3 Mos. Ended	Year-to- Date	Annualized				
				1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Stock Fund*	1.64%	7.88%	7.33%	18.06%	15.54%	13.64%	10.20%	10.59%
Dodge & Cox Global Stock Fund*	-1.35%	3.75%	-.07%	6.57%	11.73%	10.37%	7.70%	N.A.
Dodge & Cox International Stock Fund*	-4.13%	-1.28%	-6.69%	-2.34%	5.79%	5.29%	4.25%	N.A.
Dodge & Cox Balanced Fund*	1.12%	5.25%	4.19%	10.62%	11.05%	10.06%	8.71%	8.96%
Dodge & Cox Income Fund*	.22%	.64%	-.49%	.02%	3.07%	3.24%	4.94%	5.22%
Dodge & Cox Global Bond Fund*†	-1.20%	-.09%	-1.49%	-.61%	4.48%	2.94%	N.A.	N.A.
<u>Comparative Indices</u>								
S&P 500 Index	3.26%	7.76%	9.94%	19.66%	16.11%	14.52%	10.86%	7.72%
MSCI World Index	1.24%	4.35%	4.85%	13.10%	11.92%	10.23%	7.13%	N.A.
MSCI EAFE Index	-1.93%	-.74%	-2.28%	4.39%	7.04%	5.73%	3.66%	N.A.
Combined Index	2.21%	4.84%	5.55%	11.05%	10.31%	9.71%	8.24%	6.78%
Bloomberg Barclays U.S. Aggregate Bond Index	.64%	.54%	-.96%	-1.05%	1.76%	2.49%	3.70%	4.64%
Bloomberg Barclays Global Aggregate Bond Index	.10%	-.51%	-1.52%	-1.36%	2.45%	1.34%	N.A.	N.A.

*** SEC Standardized Total Returns as of 06/30/18:**

Dodge & Cox Stock Fund: 1 Year 11.87%; 5 Years 12.81%; 10 Years 9.69%

Dodge & Cox Global Stock Fund: 1 Year 5.84%; 5 Years 10.04%; 10 Years 7.25%

Dodge & Cox International Stock Fund: 1 Year 0.50%; 5 Years 5.79%; 10 Years 3.68%

Dodge & Cox Balanced Fund: 1 Year 6.88%; 5 Years 9.62%; 10 Years 8.39%

Dodge & Cox Income Fund: 1 Year 0.37%; 5 Years 3.09%; 10 Years 4.86%

Dodge & Cox Global Bond Fund†: 1 Year 0.38%; 5 Years 2.93%; Since Inception 12/05/12 2.24%

† A private fund managed by Dodge & Cox with proprietary assets was reorganized into the Dodge & Cox Global Bond Fund on April 30, 2014. Any Fund portfolio characteristics, performance, or attribution information for periods prior to May 1, 2014, are those of the private fund.

The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividends and/or interest income but, unlike Fund returns, do not reflect fees or expenses. The S&P 500 Index is a market capitalization-weighted index of 500 large-capitalization stocks commonly used to represent the U.S. Equity market. The MSCI World Index is a broad-based unmanaged equity market index aggregated from 23 developed market country indices, including the United States. The MSCI EAFE (Europe, Australasia, Far East) Index is a broad-based, unmanaged equity market index aggregated from 22 developed market country indices, excluding the United States. The Combined Index reflects an unmanaged portfolio (rebalanced monthly) of 60% of the S&P 500, and 40% of the Bloomberg Barclays U.S. Agg. The Fund may, however, invest up to 75% of its total assets in stocks. The Bloomberg Barclays U.S. Aggregate Bond Index is a widely recognized, unmanaged index of U.S. dollar-denominated investment-grade fixed income securities. The Bloomberg Barclays Global Aggregate Bond Index is a widely recognized, unmanaged index of multi-currency, investment-grade fixed income securities. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

Returns represent past performance and do not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Fund performance changes over time and currently may be significantly lower than stated above. Performance is updated and published monthly. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Record Date September 24, 2018
 Ex-Dividend Date and Reinvestment Date September 25, 2018
 Payable Date September 26, 2018

Fund	Income Dividend	Short-Term Capital Gain	Long-Term Capital Gain	Total
Stock Fund Ticker: DODGX CUSIP: 256219106	\$0.650	NONE	NONE	\$0.650
Global Stock Fund Ticker: DODWX CUSIP: 256206202	NONE	NONE	NONE	NONE
International Stock Fund Ticker: DODFX CUSIP: 256206103	NONE	NONE	NONE	NONE
Balanced Fund Ticker: DODBX CUSIP: 256201104	\$0.500	NONE	NONE	\$0.500
Income Fund Ticker: DODIX CUSIP: 256210105	\$0.095	NONE	NONE	\$0.095
Global Bond Fund Ticker: DODLX CUSIP: 256206301	\$0.100	NONE	NONE	\$0.100

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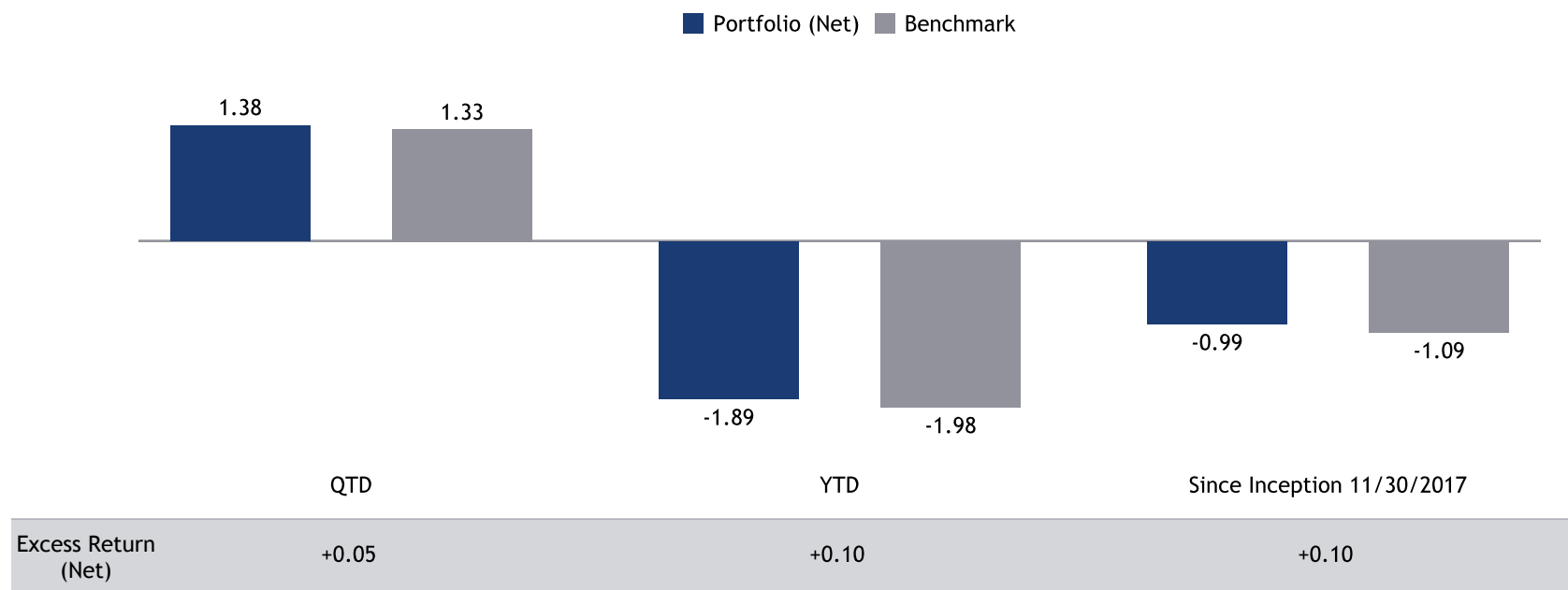
Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. This and other important information is contained in a Fund's prospectus and summary prospectus. Please read the prospectus and summary prospectus carefully before investing. Investments are not FDIC-insured, nor are they deposits of or guaranteed by any bank or other entity. To obtain a Fund's prospectus and summary prospectus visit www.dodgeandcox.com or call 800-621-3979.

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performance

TRAILING RETURNS AS OF 8/31/2018 (%)



PORTFOLIO VALUATION (USD)

	Portfolio 6/30/2018	Portfolio 8/31/2018	Increase/Decrease
Total	4,892,782	4,963,389	70,607

Data Source: Barclays Capital

Benchmarks: BBG B.ARC U.S. Corporate Investment Grade (11/30/2017 - 8/31/2018).

The current benchmark is Bloomberg Barclays Corporate Index. Returns over one year are annualized. Information is reported on a trade date basis.



LOOMIS SAYLES

Sources: Loomis, Sayles & Company, L.P. and others

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August 31, 2018

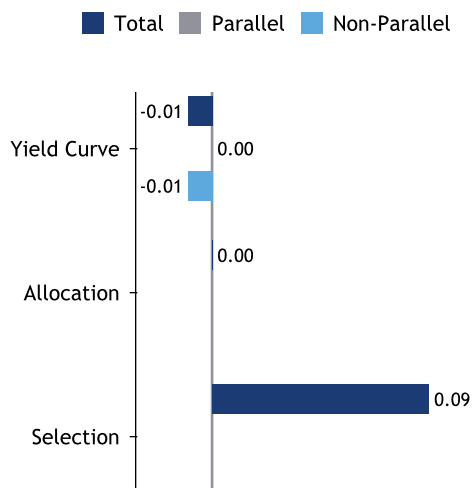
performance attribution by sector

6/30/2018 TO 8/31/2018 (%)

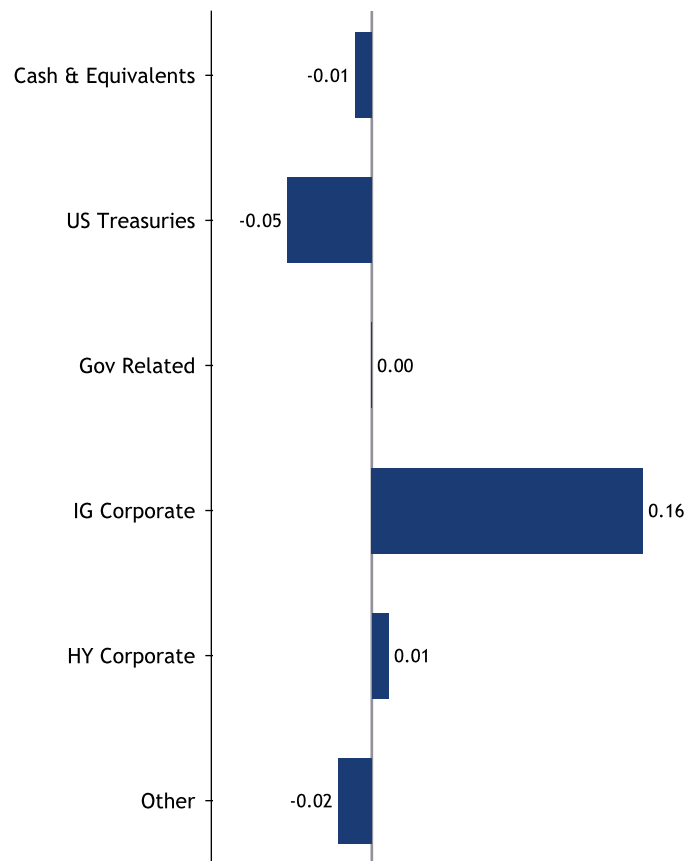
TOTAL RETURNS

	Total Return
Portfolio Return	1.43
Benchmark Return	1.33
Excess Return	0.10

EXCESS RETURN ATTRIBUTION



EXCESS RETURN ATTRIBUTION BY SECTOR



Data Source: Barclays Capital

Figures on the bar chart may not add up to total excess return as they exclude impact of trading and pricing differences. Excess Return by sector excludes yield curve impact. Values shown include impact of hedging if utilized. Unless otherwise noted, the performance shown is gross of management fees.

The current benchmark is Bloomberg Barclays Corporate Index. Information on this page reflects fund data.

portfolio summary

6/30/2018 TO 8/31/2018

PORTFOLIO SUMMARY

	6/30/2018			8/31/2018		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
Yield to Worst (%)	4.16	4.01	0.15	4.12	3.94	0.18
Maturity (years)	10.73	10.77	-0.04	10.68	10.79	-0.11
Effective Duration (years)	7.32	7.24	0.09	7.32	7.27	0.05
Coupon (%)	3.96	3.95	0.01	3.96	3.96	0.00
Average Quality	A3	A3	-	A3	A3	-
OAS (bps)	132	121	12	124	111	12

QUALITY SUMMARY (% OF TOTAL MARKET VALUE)

	6/30/2018			8/31/2018		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
AAA	6.15	2.35	3.80	3.94	2.31	1.63
AA	10.90	16.53	-5.63	9.74	16.86	-7.13
A	37.57	45.97	-8.40	44.28	45.90	-1.62
BAA	44.53	35.11	9.41	41.24	34.92	6.31
BA	0.86	0.04	0.82	0.80	0.00	0.80

Data Source: Barclays Capital

OAS is option adjusted spread.

Client Guideline Quality Methodology presented. Both duration and maturity for equity securities are deemed to be zero.

The current benchmark is Bloomberg Barclays Corporate Index. Information on this page reflects fund data.



LOOMIS SAYLES®

Sources: Loomis, Sayles & Company, L.P. and others

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August 31, 2018

Bay County Voluntary Employees' Beneficiary Association Trust - Growth Equity
Valuation Summary
31-Aug-18
Portfolio Currency: USD

	Cost	Market Value	Accrued Income	Total Value	Total Value
OPENING CASH AS OF 7/31/2018	177,624.88	177,624.88	0.00	177,624.88	1.75 %
CLOSING CASH AS OF 8/31/2018	184,625.42	184,625.42	0.00	184,625.42	1.74 %
COMMON STOCK	6,648,754.53	10,349,201.51	7,454.24	10,356,655.75	97.64 %
ADR	61,777.53	65,422.43	0.00	65,422.43	.62 %
	6,895,157.48	10,599,249.36	7,454.24	10,606,703.60	100.00 %
Accrued Income:		7,454.24			
Total Value:		10,606,703.60			

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 Voluntary Employees' Beneficiary Association Trust
Growth Equity
Report as of 31 August 2018

Performance results (%) gross and net of fees (USD)
--

Period	Portfolio gross	Portfolio net	Benchmark[^]	Excess^{^^}
August	4.71	4.65	5.47	-0.81
July	1.93	1.88	2.94	-1.05
2Q 2018	6.63	6.48	5.76	0.72
1Q 2018	5.00	4.86	1.42	3.44
2018 YTD	19.50	19.05	16.44	2.61
1 year	28.08	27.35	27.23	0.12
Since client inception (30-Dec-15)	18.67	17.99	19.08	-1.09

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.

[^] Russell 1000® Growth Index

^{^^} Excess return net vs benchmark (%)

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Bay County Employees' VEBA

CAPIS Account: 10250

Settlement Month Ending: 8/31/2018

TOTAL COMMISSION
COMMISSION ALLOCATION
Beginning Balance

 U.S. Equity
 International Equity
 Fixed Income
 International Fixed Income
 New Issues
 Options
 Futures
 Foreign Currency
 Syndicates

Recapture Subtotals
Execution
Directed
Correspondent Broker/Dealer
Total

	<u>August</u>	<u>YTD</u>
Beginning Balance		
U.S. Equity	-	-
International Equity	-	-
Fixed Income	-	-
International Fixed Income	-	-
New Issues	-	-
Options	-	-
Futures	-	-
Foreign Currency	-	-
Syndicates	-	-
Recapture Subtotals	\$ 0.00	\$ 0.00
Execution	\$ 0.00	\$ 0.00
Directed	\$ 0.00	\$ 0.00
Correspondent Broker/Dealer	\$ 0.00	\$ 0.00
Total	\$ 0.00	\$ 0.00

Execution
Recapture

	<u>August</u>	<u>YTD</u>	<u>August</u>	<u>YTD</u>
			\$0.00	\$0.00
U.S. Equity	-	-	-	-
International Equity	-	-	-	-
Fixed Income	-	-	-	-
International Fixed Income	-	-	-	-
New Issues	-	-	-	-
Options	-	-	-	-
Futures	-	-	-	-
Foreign Currency	-	-	-	-
Syndicates	-	-	-	-
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Total Earned **\$ 0.00** **\$ 0.00**
Total Redeemed **\$ 0.00** **\$ 0.00**
Balance as of 8/31/2018 **\$ 0.00** **\$ 0.00**

Bay County Employees' VEBA

CAPIS Account: 10250

Settlement Month Ending: 8/31/2018

Summary of Activity by Month

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

**BAY COUNTY VEBA TRUST
SECURITIES LOAN STATEMENT
August 2018
Account Officer : DANIEL BERD**

TOTAL EARNINGS	\$2,107.03
LESS TOTAL REBATE	\$2,040.30
TOTAL GROSS	\$66.73
LESS BANK FEE	\$16.42
TOTAL NET EARNINGS	\$50.31



CLIENT EARNINGS REPORT

For the Period
8/1/2018 To 8/31/2018

BAY COUNTY VEBA TRUST

Sec ID Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due
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Account: 1055082335

01609W102 08/16/2018	ALIBABA GROUP HOLDING-SP ADR ,	231	174.00	40,194.00	08/16/2018	1.8100	2.07595	2.02	2.32	
									Total Earnings	2.32
									Less Total Rebate	2.02
Sett Code	Coll Code	Broker	DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000		0.07	
DTC	USD	BMO Capital Markets	5221	98432	08/20/2018	Net Earnings			0.23	

714264207 08/27/2018	PERNOD-RICARD SA-UNSPON ADR ,	794	33.00	26,202.00	08/27/2018	-9.3750	2.08760	-6.82	1.52	
									Total Earnings	1.52
									Less Total Rebate	-6.82
Sett Code	Coll Code	Broker	DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000		2.08	
DTC	USD	J.P. Morgan Clearing Corp.	352	99071	08/28/2018	Net Earnings			6.26	

Account : 1055082335

Total Earnings	3.84
Less Total Rebate	-4.80
Total Gross	8.64
Less Bank Fee at 25	2.15
Net Earnings	6.49

Account: 1055082344

912810RT7 07/06/2018	US TREASURY N/B 2.250, 08/15/2046
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CLIENT EARNINGS REPORT

For the Period
8/1/2018 To 8/31/2018

BAY COUNTY VEBA TRUST

Sec ID Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due
		125,000	86.88	108,593.75	08/01/2018	1.9700	2.03856	5.94	6.15
		125,000	86.88	108,593.75	08/02/2018	2.0100	2.05897	6.06	6.21
		125,000	86.88	108,593.75	08/03/2018	1.9500	2.07135	5.88	6.25
		125,000	86.88	108,593.75	08/04/2018	1.9500	2.05729	5.88	6.21
		125,000	86.88	108,593.75	08/05/2018	1.9500	2.05729	5.88	6.21
		125,000	86.88	108,593.75	08/06/2018	1.9600	2.04921	5.91	6.18
		125,000	86.88	108,593.75	08/07/2018	1.9700	2.04727	5.94	6.18
		125,000	86.88	108,593.75	08/08/2018	1.9800	2.05929	5.97	6.21
		125,000	86.88	108,593.75	08/09/2018	2.0100	2.06922	6.06	6.24
		125,000	87.38	109,218.75	08/10/2018	1.9900	2.05705	6.04	6.24
		125,000	87.38	109,218.75	08/11/2018	1.9900	2.05820	6.04	6.24
		125,000	87.38	109,218.75	08/12/2018	1.9900	2.05820	6.04	6.24
		77,000	87.38	67,278.75	08/13/2018	2.0100	2.05958	3.76	3.85
		77,000	87.38	67,278.75	08/14/2018	2.0300	2.06930	3.79	3.87
		77,000	86.50	66,605.00	08/15/2018	2.0700	2.06070	3.83	3.81
		77,000	87.13	67,086.25	08/16/2018	2.0700	2.07595	3.86	3.87
		77,000	87.13	67,086.25	08/17/2018	2.0100	2.05902	3.75	3.84
		77,000	87.13	67,086.25	08/18/2018	2.0100	2.05902	3.75	3.84
		77,000	87.13	67,086.25	08/19/2018	2.0100	2.05901	3.75	3.84
		77,000	87.13	67,086.25	08/20/2018	2.0000	2.06208	3.73	3.84
		77,000	87.75	67,567.50	08/21/2018	2.0000	2.07483	3.75	3.89
		77,000	87.75	67,567.50	08/22/2018	2.0100	2.06832	3.77	3.88
		77,000	87.75	67,567.50	08/23/2018	2.0400	2.07988	3.83	3.90
		77,000	87.75	67,567.50	08/24/2018	2.0500	2.08465	3.85	3.91
		77,000	87.75	67,567.50	08/25/2018	2.0500	2.08464	3.85	3.91
		77,000	87.75	67,567.50	08/26/2018	2.0500	2.08465	3.85	3.91
		77,000	87.75	67,567.50	08/27/2018	2.0700	2.08760	3.89	3.92
		77,000	87.75	67,567.50	08/28/2018	2.0700	2.08668	3.89	3.92
		77,000	87.13	67,086.25	08/29/2018	2.0400	2.09403	3.80	3.90

Total Earnings 140.46

Less Total Rebate 136.34

Sett Code	Coll Code	Broker	DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	1.00
FBE	USD	Citigroup Global Markets Inc	418	94958	08/30/2018	Net Earnings		3.12

912810RZ3 US TREASURY N/B
07/27/2018 2.750, 11/15/2047

		432,000	95.75	413,640.00	08/01/2018	1.9700	2.03856	22.64	23.42
		432,000	95.75	413,640.00	08/02/2018	2.0100	2.05897	23.09	23.66

Total Earnings 47.08

Less Total Rebate 45.73

Sett Code	Coll Code	Broker	DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.33
FBE	USD	Citigroup Global Markets Inc	418	96807	08/03/2018	Net Earnings		1.02



CLIENT EARNINGS REPORT

For the Period
8/1/2018 To 8/31/2018

BAY COUNTY VEBA TRUST

Sec ID Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due
912810SA7 08/07/2018	US TREASURY N/B 3.000, 02/15/2048								
		59,000	101.75	60,032.50	08/07/2018	1.9700	2.04727	3.29	3.41
		59,000	101.75	60,032.50	08/08/2018	1.9200	2.05929	3.20	3.43
		59,000	101.75	60,032.50	08/09/2018	1.9500	2.06922	3.25	3.45
		59,000	101.75	60,032.50	08/10/2018	1.9300	2.05705	3.22	3.43
		59,000	101.75	60,032.50	08/11/2018	1.9300	2.05820	3.22	3.43
		59,000	101.75	60,032.50	08/12/2018	1.9300	2.05820	3.22	3.43
		59,000	102.88	60,696.25	08/13/2018	1.9400	2.05958	3.27	3.47
		59,000	102.88	60,696.25	08/14/2018	1.9700	2.06930	3.32	3.49
		59,000	100.75	59,442.50	08/15/2018	2.0200	2.06070	3.34	3.40
		59,000	101.50	59,885.00	08/16/2018	2.0300	2.07595	3.38	3.45
		59,000	101.50	59,885.00	08/17/2018	1.9400	2.05902	3.23	3.43
		59,000	101.50	59,885.00	08/18/2018	1.9400	2.05902	3.23	3.43
		59,000	101.50	59,885.00	08/19/2018	1.9400	2.05901	3.23	3.43
		59,000	101.50	59,885.00	08/20/2018	1.9300	2.06208	3.21	3.43
		59,000	102.25	60,327.50	08/21/2018	1.9300	2.07483	3.23	3.48
		59,000	102.25	60,327.50	08/22/2018	1.9400	2.06832	3.25	3.47
		59,000	102.25	60,327.50	08/23/2018	1.9800	2.07988	3.32	3.49
		59,000	102.25	60,327.50	08/24/2018	1.9900	2.08465	3.33	3.49
		59,000	102.25	60,327.50	08/25/2018	1.9900	2.08464	3.33	3.49
		59,000	102.25	60,327.50	08/26/2018	1.9900	2.08465	3.33	3.49
		59,000	102.25	60,327.50	08/27/2018	2.0000	2.08760	3.35	3.50
		59,000	102.25	60,327.50	08/28/2018	1.9900	2.08668	3.33	3.50
		59,000	101.63	59,958.75	08/29/2018	1.9700	2.09403	3.28	3.49
		59,000	101.63	59,958.75	08/30/2018	1.9700	2.07714	3.28	3.46
		59,000	101.63	59,958.75	08/31/2018	2.0000	2.08448	3.33	3.47
									Total Earnings 86.44
									Less Total Rebate 81.97
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	1.08
FBE	USD	Citigroup Global Markets Inc		418	97708		Net Earnings		3.39

9128283F5 US TREASURY N/B
07/20/2018 2.250, 11/15/2027



CLIENT EARNINGS REPORT

For the Period
8/1/2018 To 8/31/2018

BAY COUNTY VEBA TRUST

Sec ID Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due
		249,000	96.63	240,596.25	08/01/2018	1.9700	2.03856	13.17	13.62
		249,000	96.63	240,596.25	08/02/2018	2.0100	2.05897	13.43	13.76
		249,000	96.63	240,596.25	08/03/2018	1.9500	2.07135	13.03	13.84
		249,000	96.63	240,596.25	08/04/2018	1.9500	2.05729	13.03	13.75
		249,000	96.63	240,596.25	08/05/2018	1.9500	2.05729	13.03	13.75
		249,000	96.63	240,596.25	08/06/2018	1.9600	2.04921	13.10	13.70
		249,000	96.63	240,596.25	08/07/2018	1.9700	2.04727	13.17	13.68
		249,000	96.63	240,596.25	08/08/2018	1.9800	2.05929	13.23	13.76
		249,000	96.63	240,596.25	08/09/2018	2.0100	2.06922	13.43	13.83
		249,000	97.00	241,530.00	08/10/2018	1.9900	2.05705	13.35	13.80
		249,000	97.00	241,530.00	08/11/2018	1.9900	2.05820	13.35	13.81
		249,000	97.00	241,530.00	08/12/2018	1.9900	2.05820	13.35	13.81
		225,000	97.00	218,250.00	08/13/2018	2.0100	2.05958	12.19	12.49
		225,000	97.00	218,250.00	08/14/2018	2.0300	2.06930	12.31	12.55
		225,000	97.25	218,812.50	08/15/2018	2.0700	2.06070	12.58	12.53
		225,000	97.63	219,656.25	08/16/2018	2.0700	2.07595	12.63	12.67
		225,000	97.63	219,656.25	08/17/2018	2.0100	2.05902	12.26	12.56
		225,000	97.63	219,656.25	08/18/2018	2.0100	2.05902	12.26	12.56
		225,000	97.63	219,656.25	08/19/2018	2.0100	2.05901	12.26	12.56
		225,000	97.63	219,656.25	08/20/2018	2.0000	2.06208	12.20	12.58
		225,000	97.88	220,218.75	08/21/2018	2.0000	2.07483	12.23	12.69
		225,000	97.88	220,218.75	08/22/2018	2.0100	2.06832	12.30	12.65
		225,000	97.88	220,218.75	08/23/2018	2.0400	2.07988	12.48	12.72
		225,000	97.88	220,218.75	08/24/2018	2.0500	2.08465	12.54	12.75
		225,000	97.88	220,218.75	08/25/2018	2.0500	2.08464	12.54	12.75
		225,000	97.88	220,218.75	08/26/2018	2.0500	2.08465	12.54	12.75
		225,000	97.88	220,218.75	08/27/2018	2.0700	2.08760	12.66	12.77
		225,000	97.88	220,218.75	08/28/2018	2.0700	2.08668	12.66	12.76
		225,000	97.63	219,656.25	08/29/2018	2.0400	2.09403	12.45	12.78
		225,000	97.63	219,656.25	08/30/2018	2.0400	2.07714	12.45	12.67
		225,000	97.63	219,656.25	08/31/2018	2.0700	2.08448	12.63	12.72

Total Earnings	405.62
Less Total Rebate	394.84
Less Bank Fee at 25.000	2.63
Net Earnings	8.15

Sett Code Coll Code Broker
FBE USD Citigroup Global Markets Inc

DTC ID Loan ID Closed Date
418 96268

9128283V0 US TREASURY N/B
07/27/2018 2.500, 01/31/2025



CLIENT EARNINGS REPORT

For the Period
8/1/2018 To 8/31/2018

BAY COUNTY VEBA TRUST

Sec ID Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due
		300,000	100.75	302,250.00	08/01/2018	1.9700	2.03856	16.54	17.12
		300,000	100.75	302,250.00	08/02/2018	2.0100	2.05897	16.88	17.29
		300,000	100.75	302,250.00	08/03/2018	1.9500	2.07135	16.37	17.39
		300,000	100.75	302,250.00	08/04/2018	1.9500	2.05729	16.37	17.27
		300,000	100.75	302,250.00	08/05/2018	1.9500	2.05729	16.37	17.27
		300,000	100.75	302,250.00	08/06/2018	1.9600	2.04921	16.46	17.20
		300,000	100.75	302,250.00	08/07/2018	1.9700	2.04727	16.54	17.19
		300,000	100.75	302,250.00	08/08/2018	1.9800	2.05929	16.62	17.29
		300,000	100.75	302,250.00	08/09/2018	2.0100	2.06922	16.88	17.37
		300,000	99.88	299,625.00	08/10/2018	1.9900	2.05705	16.56	17.12
		300,000	99.88	299,625.00	08/11/2018	1.9900	2.05820	16.56	17.13
		300,000	99.88	299,625.00	08/12/2018	1.9900	2.05820	16.56	17.13
		300,000	100.25	300,750.00	08/13/2018	2.0100	2.05958	16.79	17.21
		300,000	100.25	300,750.00	08/14/2018	2.0300	2.06930	16.96	17.29
		300,000	100.13	300,375.00	08/15/2018	2.0700	2.06070	17.27	17.19
		300,000	100.38	301,125.00	08/16/2018	2.0700	2.07595	17.31	17.36
		300,000	100.38	301,125.00	08/17/2018	2.0100	2.05902	16.81	17.22
		300,000	100.38	301,125.00	08/18/2018	2.0100	2.05902	16.81	17.22
		300,000	100.38	301,125.00	08/19/2018	2.0100	2.05901	16.81	17.22
		300,000	100.38	301,125.00	08/20/2018	2.0000	2.06208	16.73	17.25
		300,000	100.63	301,875.00	08/21/2018	2.0000	2.07483	16.77	17.40
		300,000	100.63	301,875.00	08/22/2018	2.0100	2.06832	16.85	17.34
		300,000	100.63	301,875.00	08/23/2018	2.0400	2.07988	17.11	17.44
		300,000	100.63	301,875.00	08/24/2018	2.0500	2.08465	17.19	17.48
		300,000	100.63	301,875.00	08/25/2018	2.0500	2.08464	17.19	17.48
		300,000	100.63	301,875.00	08/26/2018	2.0500	2.08465	17.19	17.48
		300,000	100.63	301,875.00	08/27/2018	2.0700	2.08760	17.36	17.51
		300,000	100.63	301,875.00	08/28/2018	2.0700	2.08668	17.36	17.50
		300,000	100.38	301,125.00	08/29/2018	2.0400	2.09403	17.06	17.52
		300,000	100.38	301,125.00	08/30/2018	2.0400	2.07714	17.06	17.37
		300,000	100.38	301,125.00	08/31/2018	2.0700	2.08448	17.31	17.44

Total Earnings	536.69
Less Total Rebate	522.65
Less Bank Fee at 25.000	3.44
Net Earnings	10.60

Sett Code Coll Code Broker
FBE USD Citigroup Global Markets Inc

DTC ID Loan ID Closed Date
418 96799

9128283W8 US TREASURY N/B
07/20/2018 2.750, 02/15/2028



CLIENT EARNINGS REPORT

For the Period
8/1/2018 To 8/31/2018

BAY COUNTY VEBA TRUST

Sec ID Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due
		199,000	101.50	201,985.00	08/01/2018	1.9700	2.03856	11.05	11.44
		199,000	101.50	201,985.00	08/02/2018	2.0100	2.05897	11.28	11.55
		199,000	101.50	201,985.00	08/03/2018	1.9500	2.07135	10.94	11.62
		199,000	101.50	201,985.00	08/04/2018	1.9500	2.05729	10.94	11.54
		199,000	101.50	201,985.00	08/05/2018	1.9500	2.05729	10.94	11.54
		199,000	101.50	201,985.00	08/06/2018	1.9600	2.04921	11.00	11.50
		199,000	101.50	201,985.00	08/07/2018	1.9700	2.04727	11.05	11.49
		199,000	101.50	201,985.00	08/08/2018	1.9800	2.05929	11.11	11.55
		199,000	101.50	201,985.00	08/09/2018	2.0100	2.06922	11.28	11.61
		199,000	101.88	202,731.25	08/10/2018	1.9900	2.05705	11.21	11.58
		199,000	101.88	202,731.25	08/11/2018	1.9900	2.05820	11.21	11.59
		199,000	101.88	202,731.25	08/12/2018	1.9900	2.05820	11.21	11.59
		199,000	102.38	203,726.25	08/13/2018	2.0100	2.05958	11.37	11.66
		199,000	102.38	203,726.25	08/14/2018	2.0300	2.06930	11.49	11.71
		199,000	100.75	200,492.50	08/15/2018	2.0700	2.06070	11.53	11.48
		199,000	101.13	201,238.75	08/16/2018	2.0700	2.07595	11.57	11.60
		199,000	101.13	201,238.75	08/17/2018	2.0100	2.05902	11.24	11.51
		199,000	101.13	201,238.75	08/18/2018	2.0100	2.05902	11.24	11.51
		199,000	101.13	201,238.75	08/19/2018	2.0100	2.05901	11.24	11.51
		199,000	101.13	201,238.75	08/20/2018	2.0000	2.06208	11.18	11.53
		199,000	101.38	201,736.25	08/21/2018	2.0000	2.07483	11.21	11.63
		199,000	101.38	201,736.25	08/22/2018	2.0100	2.06832	11.26	11.59
		199,000	101.38	201,736.25	08/23/2018	2.0400	2.07988	11.43	11.66
		199,000	101.38	201,736.25	08/24/2018	2.0500	2.08465	11.49	11.68
		199,000	101.38	201,736.25	08/25/2018	2.0500	2.08464	11.49	11.68
		199,000	101.38	201,736.25	08/26/2018	2.0500	2.08465	11.49	11.68
		199,000	101.38	201,736.25	08/27/2018	2.0700	2.08760	11.60	11.70
		199,000	101.38	201,736.25	08/28/2018	2.0700	2.08668	11.60	11.69
		199,000	101.00	200,990.00	08/29/2018	2.0400	2.09403	11.39	11.69
		199,000	101.00	200,990.00	08/30/2018	2.0400	2.07714	11.39	11.60
		199,000	101.00	200,990.00	08/31/2018	2.0700	2.08448	11.56	11.64

Total Earnings	359.35
Less Total Rebate	349.99
Less Bank Fee at 25.000	2.32
Net Earnings	7.04

Sett Code Coll Code Broker
FBE USD Citigroup Global Markets Inc

DTC ID Loan ID Closed Date
418 96275

9128284V9 US TREASURY N/B
08/29/2018 2.875, 08/15/2028

6,000	102.13	6,127.50	08/29/2018	1.9700	2.09403	0.34	0.36
6,000	102.13	6,127.50	08/30/2018	1.9700	2.07714	0.34	0.35
6,000	102.13	6,127.50	08/31/2018	1.9000	2.08448	0.32	0.35

Total Earnings	1.06
Less Total Rebate	1.00
Less Bank Fee at 25.000	0.01
Net Earnings	0.05

Sett Code Coll Code Broker
FBE USD Citigroup Global Markets Inc

DTC ID Loan ID Closed Date
418 99293



CLIENT EARNINGS REPORT

For the Period
8/1/2018 To 8/31/2018

BAY COUNTY VEBA TRUST

Sec ID Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due
912828XX3 07/27/2018	US TREASURY N/B 2.000, 06/30/2024								
		300,000	97.25	291,750.00	08/01/2018	1.9700	2.03856	15.97	16.52
		300,000	97.25	291,750.00	08/02/2018	2.0100	2.05897	16.29	16.69
		300,000	97.25	291,750.00	08/03/2018	1.9500	2.07135	15.80	16.79
		300,000	97.25	291,750.00	08/04/2018	1.9500	2.05729	15.80	16.67
		300,000	97.25	291,750.00	08/05/2018	1.9500	2.05729	15.80	16.67
		300,000	97.25	291,750.00	08/06/2018	1.9600	2.04921	15.88	16.61
		300,000	97.25	291,750.00	08/07/2018	1.9700	2.04727	15.97	16.59
		300,000	97.25	291,750.00	08/08/2018	1.9800	2.05929	16.05	16.69
		300,000	97.25	291,750.00	08/09/2018	2.0100	2.06922	16.29	16.77
		300,000	97.63	292,875.00	08/10/2018	1.9900	2.05705	16.19	16.73
		300,000	97.63	292,875.00	08/11/2018	1.9900	2.05820	16.19	16.74
		300,000	97.63	292,875.00	08/12/2018	1.9900	2.05820	16.19	16.74
		300,000	98.00	294,000.00	08/13/2018	2.0100	2.05958	16.42	16.82
		300,000	98.00	294,000.00	08/14/2018	2.0300	2.06930	16.58	16.90
		300,000	97.88	293,625.00	08/15/2018	2.0700	2.06070	16.88	16.81
		300,000	98.00	294,000.00	08/16/2018	2.0700	2.07595	16.91	16.95
		300,000	98.00	294,000.00	08/17/2018	2.0100	2.05902	16.42	16.82
		300,000	98.00	294,000.00	08/18/2018	2.0100	2.05902	16.42	16.82
		300,000	98.00	294,000.00	08/19/2018	2.0100	2.05901	16.42	16.82
		300,000	98.00	294,000.00	08/20/2018	2.0000	2.06208	16.33	16.84
		300,000	98.25	294,750.00	08/21/2018	2.0000	2.07483	16.38	16.99
		300,000	98.25	294,750.00	08/22/2018	2.0100	2.06832	16.46	16.93
		300,000	98.25	294,750.00	08/23/2018	2.0400	2.07988	16.70	17.03
		300,000	98.25	294,750.00	08/24/2018	2.0500	2.08465	16.78	17.07
		300,000	98.25	294,750.00	08/25/2018	2.0500	2.08464	16.78	17.07
		300,000	98.25	294,750.00	08/26/2018	2.0500	2.08465	16.78	17.07
		300,000	98.25	294,750.00	08/27/2018	2.0700	2.08760	16.95	17.09
		300,000	98.25	294,750.00	08/28/2018	2.0700	2.08668	16.95	17.08
		300,000	98.00	294,000.00	08/29/2018	2.0400	2.09403	16.66	17.10
		300,000	98.00	294,000.00	08/30/2018	2.0400	2.07714	16.66	16.96
		300,000	98.00	294,000.00	08/31/2018	2.0700	2.08448	16.91	17.02

Total Earnings	522.40
Less Total Rebate	508.81
Less Bank Fee at 25.000	3.38
Net Earnings	10.21

Sett Code Coll Code Broker
FBE USD Citigroup Global Markets Inc

DTC ID Loan ID Closed Date
418 96790

912828Y61 US TREASURY N/B
08/29/2018 2.750, 07/31/2023

	23,000	102.25	23,517.50	08/29/2018	1.9200	2.09403	1.25	1.37
	23,000	102.25	23,517.50	08/30/2018	1.8500	2.07714	1.21	1.36
	23,000	102.25	23,517.50	08/31/2018	2.0000	2.08448	1.31	1.36



CLIENT EARNINGS REPORT

For the Period
8/1/2018 To 8/31/2018

BAY COUNTY VEBA TRUST

Sec ID	Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due	
										Total Earnings	4.09
										Less Total Rebate	3.77
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000			0.08
FBE	USD	Citigroup Global Markets Inc		418	99292		Net Earnings				0.24
Account : 1055082344							Total Earnings				2,103.19
							Less Total Rebate				2045.10
							Total Gross				58.09
							Less Bank Fee at 25				14.27
							Net Earnings				43.82

Detailed Earnings Summary

Total Earnings :	\$2,107.03
Total Rebate Expense :	\$2,040.30
Total Gross :	\$66.73
Total Bank Fees :	\$16.42
Total Net Earnings :	\$50.31

2018 VEBA YTD BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
FUND BALANCE	-	-	-	-	-	-	0%
NET ASSETS - RESERVES	3,204,320.00	-	3,204,320.00	-	-	3,204,320.00	0%
Total RA FUND BALANCE, NET AS	3,204,320.00	-	3,204,320.00	-	-	3,204,320.00	0%
ER CONTR-BEHAVE.HEALTH	-	-	-	-	-	-	0%
ER CONTR-MOSQUITO CONT	-	-	-	(8,163.30)	-	8,163.30	0%
ER CONTR-HEALTH FUND	-	-	-	(45,485.01)	-	45,485.01	0%
ER CONTR-ROAD COMMISS.	-	-	-	(60,000.00)	-	60,000.00	0%
ER CONTR-LIBRARY	-	-	-	(18,000.00)	-	18,000.00	0%
ER CONTR-GOLF COURSE	-	-	-	(3,379.24)	-	3,379.24	0%
ER CONTR-GENERAL FUND	-	-	-	(274,269.65)	-	274,269.65	0%
ER CONTR-DWS	(90,000.00)	-	(90,000.00)	(50,354.66)	-	(39,645.34)	56%
ER CONTR-911 SERVICE	-	-	-	(30,424.95)	-	30,424.95	0%
ER CONTR-CHILD CARE	-	-	-	(29,465.63)	-	29,465.63	0%
ER CONTR-DIV ON AGING	-	-	-	(30,954.78)	-	30,954.78	0%
ER CONTR-RETIRE SYSTEM	-	-	-	(1,484.33)	-	1,484.33	0%
ER CONTR-GYPSY MOTH	-	-	-	(1,720.87)	-	1,720.87	0%
ER CONTR-HOME REHABIL.	-	-	-	(3.32)	-	3.32	0%
ER CONTR-100% TAX PYMT	-	-	-	(2,225.17)	-	2,225.17	0%
ER CONTR-MED CARE FAC.	(200,000.00)	-	(200,000.00)	(242,964.44)	-	42,964.44	121%
ER CONTR-SELF INSURANC	-	-	-	(321.91)	-	321.91	0%
ER CONTR-COMM.CORRECT.	-	-	-	(1,349.93)	-	1,349.93	0%
ER CONTR-F.O.C. FUND	-	-	-	(1,508.79)	-	1,508.79	0%
ER CONTR-HOUSING FUND	-	-	-	(3,750.88)	-	3,750.88	0%
ER CONTR-SOLDIER RELIE	-	-	-	-	-	-	0%
ER CONTRIB-LOCAL CFO TR	-	-	-	(401.15)	-	401.15	0%
ER CONTRIB-CONC PISTOL	-	-	-	(357.16)	-	357.16	0%
ER CONTR-SHERIFF DEPT	-	-	-	(116,138.03)	-	116,138.03	0%
Total RJ LOCAL UNIT CONTRIBUT	(290,000.00)	-	(290,000.00)	(922,723.20)	-	632,723.20	318%
INVESTMENT INTEREST/DIVIDENDS	(500,000.00)	-	(500,000.00)	(259,657.79)	-	(240,342.21)	52%
GAIN ON SALE OF INVESTMENTS	(1,457,870.00)	-	(1,457,870.00)	-	-	(1,457,870.00)	0%
UNREALIZED GAIN ON INVESTMENTS	-	-	-	-	-	-	0%
SECURITIES LENDING EARNINGS	-	-	-	(137.62)	-	137.62	0%
Total RP INTEREST & RENTALS	(1,957,870.00)	-	(1,957,870.00)	(259,795.41)	-	(1,698,074.59)	13%
MISCELLANOUS REVENUES	-	-	-	-	-	-	0%
COMMISSION RECAPTURE	(5,000.00)	-	(5,000.00)	-	-	(5,000.00)	0%
Total RR OTHER REVENUE	(5,000.00)	-	(5,000.00)	-	-	(5,000.00)	0%

2018 VEBA YTD BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
TRANSFERS IN FROM GENERAL FUND	(1,464,000.00)		(1,464,000.00)	(1,464,000.00)	-	-	
TOTAL OTHER FINANCING SOURCE	(1,464,000.00)	-	(1,464,000.00)	(1,464,000.00)	-	-	
PER DIEM	360.00	-	360.00	-	-	360.00	0%
Total XE WAGES & SALARIES	360.00	-	360.00	-	-	360.00	0%
OFFICE SUPPLIES	100.00	-	100.00	-	-	100.00	0%
PRINTING AND BINDING	150.00	-	150.00	-	-	150.00	0%
POSTAGE	70.00	-	70.00	1.88	-	68.12	3%
COMPUTER SUPPLIES	50.00	-	50.00	-	-	50.00	0%
Total XI SUPPLIES	370.00	-	370.00	1.88	-	368.12	1%
PROFESSIONAL SERVICES	130,000.00	-	130,000.00	73,940.22	-	56,059.78	57%
ACTUARIAL SERVICES	719.00	-	719.00	-	-	719.00	0%
INVESTMENT/BANK SERVICE CHARGE	10,000.00	-	10,000.00	-	-	10,000.00	0%
LEGAL FEES	-	-	-	-	-	-	0%
CONSULTANTS	16,000.00	-	16,000.00	12,000.00	-	4,000.00	75%
LOCAL TRAVEL MILEAGE	-	-	-	-	-	-	0%
EQUIPMENT RENTAL-COPY MACHINES	55.00	-	55.00	-	-	55.00	0%
INDIRECT COST EXPENSE	1,046.00	-	1,046.00	784.51	-	261.49	75%
LOSS ON DISPOSAL OF ASSET	350,000.00	-	350,000.00	-	-	350,000.00	0%
UNREALIZED LOSS ON INVESTMENTS	-	-	-	-	-	-	0%
INSURANCE AND BONDS	4,000.00	-	4,000.00	3,189.40	-	810.60	80%
Total XL OTHER SERVICES AND C	511,820.00	-	511,820.00	89,914.13	-	421,905.87	18%
Revenue Total	(512,550.00)	-	(512,550.00)	(2,646,518.61)			
Expense Total	512,550.00	-	512,550.00	89,916.01			
Grand Total	-	-	-	(2,556,602.60)			

VEBA

Invoices Approved:

Sep-17

Invoice Date	Vendor	Amount	Description
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**BAY COUNTY
VOLUNTARY EMPLOYEES' BENEFICIARY
ASSOCIATION**

Investment Policy

I. PURPOSE OF INVESTMENT POLICY

The Bay County Voluntary Employees' Beneficiary Association Board of Trustees ("Board") was established for the purpose of providing, through Health Care Organizations, on a pre-funded basis, medical benefits for retired employees, their spouses and dependents of the County and its Component Units. To provide for such other life, sick, accident, vacation or other post-employment benefits as defined in Section 501(c)(9) of the Internal Revenue Code and permitted under Michigan Public Act 149 of 1999, as amended.

The VEBA Trust Agreement became effective 9/30/01 with the adoption, on 09/24/01, of Resolution 2001-242 by the Bay County Board of Commissioners.

The Board maintains that an important determinant of future investment returns is the expression and periodic review of the Bay County Voluntary Employees' Beneficiary Association ("VEBA" or "Plan") investment objectives. To that end, the Board has adopted this Investment Policy and directs that it apply to all assets under their control.

In fulfilling their fiduciary responsibility, the Board recognizes that the Plan is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the Plan are long-term and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, interest rate fluctuations and volatility of securities markets make it necessary to judge results within the context of several years rather than over short periods of five years or less.

The Board will employ investment professionals to oversee and invest the assets of the Plan. Within the parameters allowed in this document and their agreements with the Board, the investment management professionals shall have investment discretion over their mandates, including security selection, sector weightings and investment style.

The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

II. TARGET ALLOCATIONS

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the fund. The Investment Managers are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria. The Board has established the following asset allocation targets for the total fund:

Asset Class*	Target	Range	Benchmark Index
Domestic Equity	53 55%	48 50% - 60 58%	Russell 3000
Large Capitalization	33 35%	28 30% - 38 40%	Russell 1000
<i>LC Value</i>	16.5 17.5%	14 15% - 19 20%	<i>Russell 1000 Growth Index</i>
<i>LC Growth</i>	16.5 17.5%	14 15% - 19 20%	<i>Russell 1000 Value Index</i>
Small/Mid-Capitalization	20%	15% - 25%	Russell 2500
International Equity	5 15%	0 10% - 10 20%	MSCI EAFE Index Net
Broad Market Fixed Income	42 30%	37 25% - 47 35%	Barclays Aggregate
Cash**	0%	0% - 5%	90-Day T-Bills

** Benchmark will default to "broad market fixed income" if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.

The Investment Consultant will monitor the aggregate asset allocation of the portfolio and notify the Board of Trustees to rebalance to the target asset allocations based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed in a manner to maintain allocations within policy ranges while minimizing transaction costs. The Board does not intend to exercise short-term changes to the target allocation.

III. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers:

A. Total Portfolio Performance

The performance of the total portfolio will be measured for rolling three (3) and five (5) year periods. The performance of the total portfolio will be compared to the return of the policy indexes comprised of ~~33~~35% Russell 1000 Index, 20% Russell 2500 Index, ~~5~~15% MSCI EAFE Index Net and ~~42~~30% Barclays Aggregate.

1. On a relative basis, it is expected that the total portfolio performance will rank above the median of the appropriate peer universe over three (3) and five (5) year time periods.

2. On an absolute basis, the investment goal of the investment portfolio is to achieve an annual investment return target of ~~7.255%~~ over a 10-year time period or investment cycle.

B. Domestic Equity Performance

The combined domestic equity portion of the portfolio, defined as domestic common stocks and domestic equity mutual funds, is expected to perform at a rate at least equal to ~~6264%~~ (~~3335%/5355%~~) of the Russell 1000 Index, ~~3836%~~ (20%/~~5355%~~) of the Russell 2500 Index (Mid-Cap) as well as above the median of combined domestic equity fund performance over three (3) and five (5) year time periods. Individual components of the domestic equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank above the median of the appropriate peer universe over three (3) and five (5) year time periods.

C. International Equity Performance

The international equity portion of the portfolio, defined as international common stocks and/or mutual funds, is expected to perform at a rate at least equal to the MSCI EAFE Index Net as well as above the median of the international equity fund performance over three (3) and five (5) year time periods. Individual components of the international equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank above the median of the appropriate peer universe over three (3) and five (5) year time periods.

D. Fixed Income Performance

The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The combined fixed income portion of the portfolio is expected to perform at a rate at least equal to the Barclays Capital U.S. Aggregate Bond Index as well as above the median of combined fixed income fund performance over three (3) and five (5) year time periods. All portfolios are expected to rank above the median of the appropriate peer universe over three (3) and five (5) year time periods.

IV. INVESTMENT GUIDELINES

A. Overall

All investment guidelines and restrictions of the State of Michigan are incorporated by reference, including, but not limited to:

- a. Michigan Public Act 149 of 1999, as amended; and
- b. Michigan Public Act 314 of 1965, as amended; and
- c. Bay County Voluntary Employees' Beneficiary Association Trust Agreement.

B. Pooled Funds

Investments made by the Plan may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and limited liability corporations. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this IPS. In the event of investment by the VEBA into a pooled fund, the VEBA will adopt the prospectus or governing policy of that fund.

C. Collective Investment Restrictions and Correcting Excess Investments

All investment managers and investment consultants are restricted individually, and collectively, by this IPS. The investment managers shall coordinate monthly with the investment consultant, who shall (among other things) assure collective compliance with this IPS. In the event any investment, based on changes in the market value of the VEBA assets, causes the VEBA to exceed any limitation prescribed in this IPS, the assets may be reallocated by the Board of Trustees in a prudent manner to comply with Michigan Public Act 149 of 1999, as amended and Michigan Public Act 314 of 1965 and this Investment Policy.

D. Guidelines for Equity Investments

1. Not more than 70% of the VEBA's assets in global stock as defined as in §12(b)(4)(b) of PA 314 of 1965.
2. The VEBA shall not invest more than 5% of their total assets in any one corporation.

E. Guidelines for Fixed Income Investments and Cash Equivalent

Specific guidelines will be outlined for separate account managers in their addendums. For mutual funds and collective trusts guidelines will be outlined in their prospectus or offering document.

F. Restriction on Cryptocurrencies and Initial Coin Offerings ("ICO")

Given the potential for fraud, manipulation and lack of investor protection, it is the policy of this Fund to prohibit any investment in cryptocurrency or ICO markets. Specific guidelines will be outlined in account manager addendums

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V. **COMMUNICATIONS**

- A. On a monthly basis, the Custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.
- B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager's addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Plan's performance, forecast of the market and economy, portfolio analysis and current assets of the Plan. Written reports shall be delivered to the Board within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the County, and shall be available for public inspection. The

Investment Managers will provide immediate written and telephone notice to the Board of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum.

- C. If an Investment Manager owns investments that complied with section IV at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, the Investment Manager shall reallocate assets in a prudent manner to comply with the prescribed limitations. In addition, an action plan outlining the investment 'hold or sell' strategy shall be provided to the Board immediately.
- D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return and relative performance of the Plan on a gross and net of fee basis.
- E. The Board will meet periodically to review the Investment Consultant's performance report. The Board will meet with the Investment Managers and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Plan on a periodic basis as prescribed by its Due Diligence Policy.
- F. At least annually, the Board shall provide the Investment Managers with projected disbursement needs of the Plan so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities or investment programs with known cash needs and anticipated cash-flow requirements.

VI. COMPLIANCE

- A. It is the direction of the Board that the Plan assets are held by a third party Custodian, and that all securities purchased by, and all collateral obtained by the Plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by authorized signers of the Board.
- B. At the direction of the Board, operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the Plan sponsor, to the extent possible.
- C. The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval and shall vote all proxies associated with their portfolios. On a regular basis, at least annually, each manager shall report a record of their proxy vote. Additionally, any other proxy votes required for plan assets, such as commingled funds, collective trusts or mutual funds or other routine matters, shall be voted upon by the Finance Officer and/or the Board of Trustees. In the event there are non-routine matters or items that raise questions, those items shall be referred to the Investment Consultant for review and who shall recommend a vote to the Finance Officer.

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Board wishes to adopt standards by which judgments of the ongoing performance of an Investment Manager may be made. If, at any time, any three (3) of the following is breached, the Investment Manager may be warned of the Board's serious concern for the Plan's continued safety and performance and Manager may be considered "on watch". If any five (5) of these are violated the Investment Consultant may recommend an Investment Manager evaluation for that mandate.

- Four (4) consecutive quarters of relative under-performance versus the benchmark.
- Three (3) year trailing return below the median within the appropriate peer group and under performance versus the benchmark.
- Five (5) year trailing return below the median and under performance versus the benchmark.
- Three (3) year downside return greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside return greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the Investment Policy, Investment Manager Addendum or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC) or other regulatory agency.
- Significant asset flows into or out of the company or strategy.
- Merger or sale of firm.
- Fee increases outside of the competitive range.
- Servicing issues – key personnel stop servicing the account without proper notification.
- Failure to attain a 60% vote of confidence by the Board.

Nothing in this section shall limit or diminish the Board's right to terminate the Investment Manager at any time for any reason.

VIII. APPLICABLE COUNTY ORDINANCES

If at any time this document is found to be in conflict with the VEBA Trust Agreement or applicable Michigan Statutes, the Trust Agreement and Statutes shall prevail.

IX. REVIEW AND AMENDMENTS

It is the Board's intention to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified in writing. Through this Investment Policy, the Investment Managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the Investment Consultant, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by the Board.

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

Chairman, Board of Trustees

Date

Putting clients first.



To: Bay County VEBA Board of Trustees and Staff
From: Howard Pohl and Peter Brown
Date: October 9, 2018
Re: VEBA - Revised Investment Policy Statement

The Board of Trustees has expressed a desire to review the Bay County VEBA's Investment Policy Statement given changes to the funding contribution to the plan by the county and GRS' discussion of reducing the actuarial assumption from 7.5% and 5.0% to something below 7.0%.

As a result, AndCo has revised the IPS to increase Domestic Equities exposure from 53% to 55%, increase International Equities exposure from 5% to 15% and reduce Fixed Income from 42% to 30%. These changes are highlighted in redline copy of the VEBA Investment Policy provided in today's packet of meeting materials. AndCo also included in the meeting materials an asset allocation study to discuss the impact of the proposed changes to the portfolio and effect they have on the investment portfolio's projected returns.

AndCo recommends that Board of Trustees to the Bay County VEBA adopt the revised Investment Policy Statement. We believe the asset allocation is more appropriate given the additional contributions anticipated from the county.

If you have any questions or comments, please contact Howard Pohl or Peter Brown of AndCo.

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
10/09/2018
RESOLUTION**

BY: ANDCO CONSULTING

WHEREAS, The Board of Trustees has expressed a desire to review the Bay County VEBA's Investment Policy Statement given changes to the funding contribution to the plan by the county and GRS' discussion of reducing the actuarial assumption from 7.5% and 5.0% to something below 7.0%

WHEREAS, As a result, AndCo has revised the IPS to increase Domestic Equities exposure from 53% to 55%, increase International Equities exposure from 5% to 15% and reduce Fixed Income from 42% to 30%.

WHEREAS, These changes are highlighted in redline copy of the VEBA Investment Policy provided in today's packet of meeting materials.

WHEREAS, AndCo has also included, in the meeting materials, an asset allocation study to discuss the impact of the proposed changes to the portfolio and effect they have on the investment portfolio's projected returns.

WHEREAS, We believe the asset allocation is more appropriate given the additional contributions anticipated from Bay County.
Therefore, Be It

RESOLVED That AndCo recommends the Board of Trustees to the Bay County VEBA adopt the revised Investment Policy Statement.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION – REVISED VEBA INVESTMENT POLICY STATEMENT

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Richard Gromaski				Matthew Pett			
Kristal Gonzales				Thomas Herek				Thomas Ryder			
Steve Gray				Jon Morse				Sandy Shutt			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

Date: September 13, 2018

To: Bay County Retiree Health Care Plan (BCRHCP)
c/o Ms. Kathleen Meeth, Plan Administrator

From: Shana M. Neeson, ASA, FCA, MAAA and James D. Anderson, FSA, EA, FCA, MAAA
Gabriel, Roeder, Smith & Company (GRS)

Re: Investment Return Assumption for the December 31, 2017 BCRHCP Actuarial Valuations

This memo provides information related to the investment return assumption used in performing the actuarial valuation of the Bay County Retiree Health Care Plan. In addition, this will also serve as the basis for the Long-Term Expected Rate of Investment Return used in reporting under GASB Statement No. 75.

Investment Return Assumption

Background

Based on prior funding and accounting standards, the most recent BCRHCP valuation used an investment return assumption of 7.5% for BABH and 5% for All Other groups. The advent of new GASB Statement No. 74 and 75 accounting standards serves to separate plan funding from plan accounting while also changing the focus of the assumed investment return to be based more strictly on return expectations based on the plan's asset allocation.

The determination of the assumed rate of investment return that the actuary uses is governed by the Actuarial Standards of Practice (ASOP), which were most recently revised for valuation dates on or after September 30, 2014. While GRS is not an investment consultant nor do we provide investment advice, we seek out the advice of investment professionals when developing the assumed rate of return. GRS does this through our Capital Market Assumption Modeler (CMAM), which investigates the investment return assumption for our clients in conjunction with the Actuarial Standards of Practice. Using a plan's asset allocation, future expectations of various investment consultants are analyzed and summarized.

ASOP No. 27 defines a reasonable economic assumption as an assumption that has the following characteristics:

- (a) It is appropriate for the purpose of the measurement;
- (b) It reflects the actuary's professional judgment;
- (c) It takes into account historical and current economic data that is relevant as of the valuation date;
and
- (d) It reflects the actuary's estimate of future experience, the actuary's observation of the estimates inherent in market data, or a combination thereof.

Background (Concluded)

It has no significant bias (i.e., it is not significantly optimistic or pessimistic), except when provisions for adverse deviation or plan provisions that are difficult to measure are included and disclosed under Section 3.5.1, or when alternative assumptions are used for the assessment of risk.

Analysis

The assumed rate of investment return generally depends on factors such as the plan’s investment policy and capital market expectations. Our analysis is based on the GRS Capital Market Assumption Modeler (CMAM). Because GRS is a benefits consulting firm and does not develop or maintain capital market expectations, we request and monitor forward-looking expectations developed by several major investment consulting firms. We update our CMAM on an annual basis. The capital market assumptions in the 2018 CMAM are from the following investment consultants (in alphabetical order): Aon Hewitt, BNY Mellon, Callan, JPMorgan, Marquette Associates, Mercer, NEPC, PCA, RVK, Summit Strategies, Voya and Wilshire. We believe the benefit of performing this analysis using multiple investment consulting firms is to recognize the uncertain nature of the items affecting the selection of the investment return assumption.

While there may be differences in asset classes, investment horizons, inflation assumptions, treatment of investment expenses, excess manager performance (i.e., alpha), etc., we have attempted to align the various assumption sets from the different investment consultants to be as consistent as possible. In the following charts, all returns are net of investment expenses and have no assumption for excess manager performance (alpha) in excess of active management fees.

For purposes of this analysis, we have reviewed the following investment allocation provided by Bay County and summarized below:

Asset Class	Target Allocation
Domestic Equity	55%
International Equity	15%
Broad Market Fixed Income	30%

The arithmetic expected return developed from this asset allocation is shown in the table on the following page. Note that the arithmetic return is in general higher than the median return due to compounding effect of random returns. In general, the difference between the arithmetic and median return will be larger for larger standard deviation of returns. We have shown the standard deviation of returns as the investment risk in Column 9.

ASOP No. 27 acknowledges that for any given economic assumption, there is a reasonable range of opinions on that assumption. This is evident from the summaries we show from CMAM.

Investment Return Expectations of Various Investment Consultants

Arithmetic Return

Investment Consultant	Investment Consultant Expected Nominal Return	Investment Consultant Inflation Assumption	Expected Real Return (2)-(3)	Actuary Inflation Assumption	Expected Nominal Return (4)+(5)	Standard Deviation of Expected Return (1-Year)
(1)	(2)	(3)	(4)	(5)	(6)	(9)
1	5.79%	2.20%	3.59%	2.50%	6.09%	13.59%
2	5.95%	2.21%	3.74%	2.50%	6.24%	13.77%
3	6.46%	2.50%	3.96%	2.50%	6.46%	13.75%
4	6.32%	2.26%	4.06%	2.50%	6.56%	11.71%
5	6.37%	2.25%	4.12%	2.50%	6.62%	13.11%
6	6.63%	2.50%	4.13%	2.50%	6.63%	13.74%
7	6.23%	2.00%	4.23%	2.50%	6.73%	12.54%
8	6.77%	2.31%	4.47%	2.50%	6.97%	13.61%
9	6.55%	2.00%	4.55%	2.50%	7.05%	12.00%
10	6.62%	1.95%	4.67%	2.50%	7.17%	12.69%
11	7.03%	2.26%	4.77%	2.50%	7.27%	14.05%
12	7.60%	2.00%	5.60%	2.50%	8.10%	13.12%
Average	6.53%	2.20%	4.32%	2.50%	6.82%	13.14%

The average expected nominal return from Column 6 is 6.82%. This is the average arithmetic rate of return. Note that the arithmetic rate of return represents the average future expected return which is higher than the median future expected. Setting the valuation assumption at the arithmetic expected return means that over time the average accumulated assets are expected to grow at this rate. However, in any given year it is less than 50% likely that this return will be achieved. From the perspective of the Actuarial Standards of Practice, this may be considered a reasonable assumption. Adjusting to the median return (as we do below) is also a reasonable assumption.

Next we compare the probabilities of achieving returns over a 20-year horizon. We compute the 40th, 50th, and 60th percentiles of returns as well as the probability of achieving the current assumption of 7.50% (most recent BABH valuation, All Other groups used a 5% assumption) over a 20-year horizon. Note that the investment horizon for most of the capital market assumption sets is between 5 and 10 years. For purposes of this analysis, no adjustment has been made to return expectations for 20 years. This implies that the second 10 years are expected to have the same distribution of returns as the first 10 years. A different assumption would result in a different distribution of returns.

Investment Return Expectations of Various Investment Consultants

Geometric Return

Investment Consultant	Distribution of 20-Year Average Geometric Net Nominal Return			Probability of Exceeding 7.50%
	40th	50th	60th	
(1)	(2)	(3)	(4)	(5)
1	4.47%	5.23%	5.99%	22.71%
2	4.59%	5.36%	6.13%	24.28%
3	4.81%	5.58%	6.35%	26.57%
4	5.27%	5.92%	6.58%	27.29%
5	5.10%	5.83%	6.56%	28.35%
6	4.99%	5.75%	6.52%	28.40%
7	5.30%	6.00%	6.70%	29.54%
8	5.35%	6.11%	6.87%	32.30%
9	5.71%	6.38%	7.06%	33.81%
10	5.72%	6.43%	7.14%	35.19%
11	5.58%	6.37%	7.15%	35.81%
12	6.58%	7.32%	8.05%	47.49%
Average	5.29%	6.02%	6.76%	30.98%

The 50th percentile return is also related to the geometric average return. The geometric average of a sequence of returns over a number of years is the compound average of those returns over the number of years compounded. As the number of years in the geometric average increase and if the distributions of returns each year are independent and identically distributed, then the geometric average will converge to the median return. The median return is a reasonable rate of return for purposes of the valuation. The average of 50th percentile returns is 6.02% per year.

Summary

Our analysis generally indicates forward-looking expectations lower than currently assumed for the assumed rate of return. The following table summarizes our preferred range of assumptions. It is important to note that an assumption outside of the preferred range is not necessarily unreasonable under ASOP No. 27.

Preferred Range of Expectations	Price Inflation	Assumed Rate of Return
Low End of Range	2.25%	6.00%
Midpoint of Range	2.50%	6.50%
High End of Range	2.75%	7.00%
Current Assumption*	2.75%	7.50%

* 7.50% for BABH, 5% for All Other groups.

Your comments and questions are welcome. **Please note that we will need guidance from the Board regarding the assumed rate of return in order to proceed with the valuation.**

Shana M. Neeson and James D. Anderson are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

2018 VEBA BUDGET PROPOSAL

(636,000.00)

ACCOUNTS	FOR:	2015	2016	2017	2018	2018	PCT		
7360	PUBLIC EMPLOYEE HEALTH C	ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROJECTION	CHANGE	NOTES
73627401	40001 FUND BALANCE	-	-	-	-	-	-		
73627401	40004 NET ASSETS - RESERVES	-	-	-	-	3,204,320.00	3,204,320.00	0%	
73627401	59401 ER CONTR-BEHAVE.HEALTH	-	-	-	-	-	-	0%	
73627401	59402 ER CONTR-MOSQUITO CONT	-	-	(4,074.28)	(8,163.30)	-	(12,244.95)		
73627401	59403 ER CONTR-HEALTH FUND	-	-	(181,431.75)	(45,485.01)	-	(68,227.52)		
73627401	59404 ER CONTR-ROAD COMMISS.	-	-	-	(60,000.00)	-	(360,000.00)		
73627401	59406 ER CONTR-LIBRARY	(48,000.00)	(48,000.00)	(25,000.00)	(18,000.00)	-	(72,000.00)		
73627401	59407 ER CONTR-GOLF COURSE	-	-	(4,360.68)	(3,379.24)	-	(5,068.86)		
73627401	59408 ER CONTR-GENERAL FUND	-	-	(754,647.83)	(274,269.65)	-	(411,404.48)		
73627401	59409 ER CONTR-DWS	(35,294.45)	(93,195.34)	(98,760.51)	(50,354.66)	(90,000.00)	(90,000.00)	0%	
73627401	59410 ER CONTR-911 SERVICE	-	-	(55,666.20)	(30,424.95)	-	(45,637.43)		
73627401	59411 ER CONTR-CHILD CARE	-	-	(45,013.97)	(29,465.63)	-	(44,198.45)		
73627401	59412 ER CONTR-DIV ON AGING	-	-	(77,231.67)	(30,954.78)	-	(46,432.17)		
73627401	59413 ER CONTR-RETIRE SYSTEM	-	-	-	(1,484.33)	-	(2,226.50)		
73627401	59415 ER CONTR-GYPSY MOTH	-	-	-	(1,720.87)	-	(2,581.31)		
73627401	59416 ER CONTR-HOME REHABIL.	-	-	-	(3.32)	-	-		No longer an account
73627401	59418 ER CONTR-100% TAX PYMT	-	-	-	(2,225.17)	-	(3,337.76)		
73627401	59419 ER CONTR-MED CARE FAC.	(254,267.93)	(228,188.29)	(174,686.22)	(242,964.44)	(200,000.00)	(485,933.86)	143%	
73627401	59424 ER CONTR-SELF INSURANC	-	-	-	(321.91)	-	(482.87)		
73627401	59427 ER CONTR-COMM.CORRECT.	-	-	-	(1,349.93)	-	(2,024.90)		
73627401	59429 ER CONTR-F.O.C. FUND	-	-	-	(1,508.79)	-	(2,263.19)		
73627401	59430 ER CONTR-HOUSING FUND	-	-	(28,868.25)	(3,750.88)	-	(5,623.29)		
73627401	59433 ER CONTR-SOLDIER RELIE	-	-	-	-	-	-		
73627401	59434 ER CONTRIB-LOCAL CFO TR	-	-	-	(401.15)	-	(601.73)		
73627401	59435 ER CONTRIB-CONC PISTOL	-	-	-	(357.16)	-	(535.74)		
73627401	59499 ER CONTR-SHERIFF DEPT	-	-	(293,444.44)	(116,138.03)	-	(174,207.05)		
73627401	66400 INVESTMENT INTEREST/DIVIDENDS	(714,543.95)	(1,235,073.86)	(804,964.25)	(512.20)	(500,000.00)	(500,000.00)	0%	
73627401	66500 GAIN ON SALE OF INVESTMENTS	(2,919,199.63)	(1,321,279.70)	(4,378,321.22)	-	(1,457,870.00)	(1,500,000.00)	3%	
73627401	66501 UNREALIZED GAIN ON INVESTMENTS	-	(1,576,427.40)	(2,300,748.78)	-	-	-		
73627401	66600 SECURITIES LENDING EARNINGS	(894.20)	15,924.97	(1,434.59)	(137.62)	-	(288.00)		
73627401	67104 MISCELLANEOUS REVENUES	-	-	-	-	-	-		
73627401	69000 COMMISSION RECAPTURE	(8,037.09)	(63.25)	-	-	(5,000.00)	(5,000.00)	0%	
73627401	69901 TRANSFERS IN FROM GENERAL FUND	-	-	-	(1,464,000.00)	(1,464,000.00)	-	-100%	
73627401	71000 PER DIEM	-	-	-	-	360.00	360.00	0%	
73627401	71601 RETIREES HEALTH INS-GENERAL GP	-	-	1,444,739.07	-	-	-		

2018 VEBA BUDGET PROPOSAL

(636,000.00)

ACCOUNTS	FOR:	2015	2016	2017	2018	2018		PCT	
7360	PUBLIC EMPLOYEE HEALTH C	ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROJECTION	CHANGE	NOTES
73627401	72700 OFFICE SUPPLIES	-	-	-	-	100.00	100.00	0%	
73627401	72800 PRINTING AND BINDING	-	-	-	-	150.00	150.00	0%	
73627401	72900 POSTAGE	4.34	-	49.64	1.88	70.00	70.00	0%	
73627401	75100 COMPUTER SUPPLIES	-	-	-	-	50.00	50.00	0%	
73627401	80100 PROFESSIONAL SERVICES	106,610.38	92,984.99	95,453.62	73,940.22	130,000.00	130,000.00	0%	
73627401	80101 ACTUARIAL SERVICES	39,300.00	1,975.00	44,330.00	-	719.00	45,000.00	6159%	VEBA Valuation
73627401	81400 INVESTMENT/BANK SERVICE CHARGE	28,845.32	70,748.97	58,649.91	-	10,000.00	10,000.00	0%	
73627401	81700 LEGAL FEES	-	-	-	-	-	-		
73627401	81900 CONSULTANTS	14,500.00	16,000.00	16,000.00	12,000.00	16,000.00	16,000.00	0%	
73627401	86600 LOCAL TRAVEL MILEAGE	-	-	-	-	-	-		
73627401	94601 EQUIPMENT RENTAL-COPY MACHINES	-	-	-	-	55.00	52.03	-5%	
73627401	95600 INDIRECT COST EXPENSE	6,046.00	10,420.00	1,765.00	610.18	1,046.00	5,952.00	469%	Per Finance
73627401	96200 LOSS ON DISPOSAL OF ASSET	556,488.02	401,495.44	1,416,136.01	-	350,000.00	424,265.97	21%	
73627401	96201 UNREALIZED LOSS ON INVESTMENTS	2,904,643.41	-	-	-	-	-		
73627401	96500 INSURANCE AND BONDS	2,937.45	3,125.63	3,200.85	3,189.40	4,000.00	4,000.00	0%	
TOTAL	VEBA	(320,862.33)	(3,889,552.84)	(6,148,330.54)	(2,297,631.34)	-	-		
TOTAL	REVENUES	(3,980,237.25)	(4,486,302.87)	(9,228,654.64)	(2,387,373.02)	(512,550.00)	(636,000.00)		
TOTAL	EXPENSES	3,659,374.92	596,750.03	3,080,324.10	89,741.68	512,550.00	636,000.00		
GRAND	TOTAL	(320,862.33)	(3,889,552.84)	(6,148,330.54)	(2,297,631.34)	-	-		

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
10/09/2018
RESOLUTION**

BY: ADMINISTRATION

WHEREAS, The 2019 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 2018 Budget is for the budget period of January 1, 2019 through December 31, 2019.

WHEREAS, The 2019 budgeted expenditures are submitted at \$636,000 which is an increase of \$123,450 compared to the 2018 budgeted expenditures in the amount of \$512,550.

WHEREAS, The VEBA Fund revenue is budgeted at \$636,000 which is an increase of \$123,450 compared to the 2018 budgeted revenue in the amount of \$515,550. Therefore, Be It

RESOLVED That this Board approve the annual 2019 Budget as submitted.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION – 2019 BUDGET PROPOSAL

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Richard Gromaski				Matthew Pett			
Kristal Gonzales				Thomas Herek				Thomas Ryder			
Steve Gray				Jon Morse				Sandra Shutt			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____