

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
 AGENDA
 TUESDAY, MARCH 12, 2019
 (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.	FEBRUARY 12, 2019
	IV.	PUBLIC INPUT
	A.	GABRIEL ROEDER SMITH VEBA ACTUARIAL VALUATION 2017 – JAMES ANDERSON AND SHANA NEESON
		<u>2017 VALUATION REPORT COUNTY ALL OTHERS</u>
		<u>2017 VALUATION REPORT BABH</u>
		2017 VEBA ACTUARIAL VALUATION PRESENTATION (ON WEBSITE UNDER VEBA ANNUAL REPORTS)
5 – 7	B.	MONTHLY REPORTS - RES NO. 2019-3 (APPROVE)
	1.	PORTFOLIO VALUE 1/01/19 – 2/28 /19
	2.	CHANGE IN NET ASSETS – 2/28/19
8 - 18	3.	MONEY MANAGER REPORTS
	a.	CS MCKEE – ENDING 1/31/19
	b.	DODGE & COX – ENDING 1/31/19
	c.	LOOMIS – ENDING 1/31/19
	d.	MFS REPORTS – ENDING 1/31/19
19-20	4.	RECAPTURE SERVICES
	a.	CAPIS – 1/31/19
21-22	5.	COMERICA SUMMARY EARNINGS – ENDING 1/31/19
23- 24	6.	VEBA YTD BUDGET REPORT 2/28/19
25	7.	INVOICES APPROVED – 2/28/19
26 – 27	C.	AUTHORIZED SIGNERS FOR INVOICES RES NO: 2019-4 (APPROVE)
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, APRIL 9, 2019 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. ,

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, MARCH 12, 2019

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

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

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)
FEBRUARY 12, 2019 – 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 February, 2019 at 2:03 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

Trustees Present: Chairperson Gray, Ms. Gonzales, Mr. Herek, Mr. Morse, Mr. Pett, Mr. Ryder, and Ms. Shutt, and Ms. Walraven.

Trustees Absent: Mr. Gromaski

Also Present:

Consultant: AndCo Consulting - Peter Brown.

Secretary: Jan Histed

Retirement Administrator: Katie Meeth

Corporation Counsel:

The meeting was called to order by Chairman, Steve Gray at 2:03 p.m.

MOTION 7: Moved, supported and carried to excuse Trustee Gromaski.

MOTION 8: Moved, supported and carried to approve the minutes, as printed, from the January 8, 2019 regular meeting.

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

Present today was Peter Brown, from AndCo Consulting to present the 4Q 2018 performance report. A copy of his presentation was provided to Trustees, in advance, via the web.

Mr. Brown reviewed the performance of the VEBA Portfolio. The balance at the beginning of the quarter was \$57,940,000 with net inflows of \$443,000 and an unrealized net loss of -\$5.3 million to end the year with a value of \$53,071,000. There was a \$450,000 investment to the American EuroPacific fund. The Investment Policy Statement was also revised to be very similar and mirror the investment policy of the Retirement System. The revision of the Investment Policy resulted in a decreased exposure to fixed income, increasing exposure to stocks and focusing on increasing exposure to international stocks.

Year to date, the Fund started the year with a value of \$52,483,000 with \$3 million of inflows with \$2.96 million going to the international stocks and an unrealized net loss of -\$2,436,000. The balance at the end of the year was \$53,071,000.

A recap of asset allocation by equity holdings showed equities declined from 54% to just below 50% due to stocks having a pullback and as a result fixed income expanded from 37% to 41%.

He then reviewed the asset allocation stating that it reflects the previous Investment Policy. Mr. Brown then

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
FEBRUARY 12, 2019 – REGULAR MEETING**

PAGE 2

reviewed the new asset allocations per the new Investment Policy. Returns showed that for the 4Q of 2018 the VEBA was down -9.13% compared to the policy which was down -8.06%. For the year it was down -4.35% compared to the policy which was down -4.56%. He stated this was in line with what they have seen with retirement systems being down anywhere from -5% to -6% on a one-year basis and health care funds down anywhere from -4.5% to -5.5%. Stocks were the source of the downturn.

He reviewed the performances of each of the money managers.

MOTION 9: Moved, supported and carried to receive the 4Q report from AndCo Consulting.

RES. NO: 2019-2:

Moved, supported and carried to adopt resolution 2019-2 to receive the monthly reports Portfolio Value ending 1/31/19 (Today's value \$55,748,000), Monthly Change in Net Assets ending 1/31/19, C.S. McKee performance report ending 4Q 2018 , Dodge & Cox – Ending 4Q 2018 & 12/31/18; Loomis – Ending 4Q 2018; MFS – Ending 4Q 2018, 12/31/18 and Proxy Vote Report 4Q 2018; Capis Recapture services ending- 12/31/18, VEBA YTD Budget Report ending – 1/31/19 , and Approved Invoices Report ending – 1/31/19 .

MOTION 10: Moved, supported and carried to receive correspondence CS McKee, Loomis and Comerica regarding rebalance asset allocation.

MOTION 11: Moved, supported and carried to receive correspondence to Comerica to raise cash for the PRISA capital call.

Mr. Brown, from AndCo Consulting reviewed candidates for Mid-Cap and Small-Cap equity managers. The search for Mid-Cap and Small-Cap equity managers is a result of the revised Investment Policy Statement. The number of managers will be expanding as a result of reducing fixed income with specific allocations of 12% to Mid-Caps and 5% to Small-Caps. With the continued inflows into the Plan, there is no longer a need to be as conservative as it has been. His thought is to feed the Mid-Cap and Small-Cap strategies as funding comes in as well as adding to fixed income, Large Cap and even real estate. He is hoping for better performance by having Mid-Cap and Small-Cap managers rather than the one SMID cap.

Mr. Brown reviewed the four different Mid-Cap Managers and four different managers from Small-Cap. He suggested to the Board to have two managers from each strategy interview at the March meeting. He proposed having a special meeting in the morning on March 12th to interview the core managers.

The Mid-Cap core managers discussed today were: Champlain, Clarkston, Parnassus and Touchstone. Mr. Brown compared their management fees which range from 0.75% to 1%. Minimum investments ranged from \$25,000 to \$1 million. These are institutional mutual funds. He reviewed key characteristics, strategies, and performance of each of the Mid-Cap managers.

Mr. Brown would like the Board to consider having Champlain come in as the -Mid-cap growth manager and

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
FEBRUARY 12, 2019 – REGULAR MEETING**

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Clarkston come in as the Mid-Cap Value manager. He explained the reason being that he would like to mirror those growth and value managers.

He answered questions from the Board regarding Clarkston holding cash and gave his recommendations to the Board to interview Champlain and Clarkston. He also stated that if the Board did not want to invest with someone like Clarkston that held cash, then he would recommend Champlain and Touchstone. After discussion with the Board, it was decided to interview three Mid-Cap managers.

MOTION 12: Moved, supported and carried to interview Touchstone, Champlain and Clarkston for Mid-Cap Core Equity Managers.

Mr. Brown reviewed the Small-Cap managers Ancora/Thelen, DFA, JPMorgan, and MassMutual. He compared the management fees which ranged from 0.37% to 1.02%. Small-Caps will have a target allocation of about 5% for the VEBA Fund. These are core strategies investing in the USA. He reviewed key characteristics, strategies, and performance of each of the Small-Cap managers.

Mr. Brown gave his recommendations to the Board. He would like the Board to consider interviewing Ancora/Thelen and DFA.

Trustee Herek stated he would like a third Small-Cap Equity Manager to interview and recommended MassMutual.

MOTION 13: Moved, supported and carried to interview Ancora/Thelen, DFA and Mass Mutual for the Small-Cap Core Equity Managers.

ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, March 12, 2019 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.

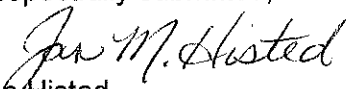
NEW BUSINESS: None.

MISCELLANEOUS BUSINESS: None.

ADJOURNMENT:

MOTION 14: Moved, supported and carried to adjourn the meeting at 2:59 p.m.

Respectfully submitted,


Jan Histed
Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE **VEBA BOARD OF TRUSTEES COMMITTEE**
FEBRUARY 12, 2019

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 2:03 P.M.

MOTIONS

Trustee	7	8	9	10	11	12	13	14
GONZALES	S-Y	Y	Y	Y	S-Y	Y	Y	Y
GRAY	Y	Y	Y	Y	Y	Y	Y	Y
GROMASKI	E	E	E	E	E	E	E	E
HEREK	Y	S-Y	Y	M-Y	Y	Y	M-Y	M-Y
MORSE	M-Y	Y	M-Y	Y	Y	Y	Y	Y
PETT	Y	Y	S-Y	Y	M-Y	M-Y	Y	Y
RYDER	Y	M-Y	Y	Y	Y	Y	Y	Y
SHUTT	Y	Y	Y	S-Y	Y	S-Y	S-Y	Y
WALRAVEN	Y	Y	Y	Y	Y	Y	Y	S-Y

RESOLUTIONS

Trustee	2019-2							
GONZALES	Y							
GRAY	Y							
GROMASKI	E							
HEREK	Y							
MORSE	Y							
PETT	S-Y							
RYDER	M-Y							
SHUTT	Y							
WALRAVEN	Y							

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
03/12/2019
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 - 1/1/19 – 2/28/19
2. CHANGE IN NET ASSETS – 2/28/19/
3. MONEY MANAGER REPORTS
 - a. C.S. MCKEE – ENDING 1/31/19
 - b. DODGE & COX – ENDING 1/31/19
 - c. LOOMIS – ENDING 1/31/19
 - b. MFS REPORTS – ENDING 1/31/19
4. RECAPTURES SERVICES
 - a. CAPIS - SUMMARY ENDING 1/31/19
5. COMERICA – SUMMARY EARNINGS ENDING 1/31/19
6. VEBA YTD BUDGET REPORT – ENDING 2/28/19/
7. INVOICES APPROVED - 2/28/19

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS - MARCH

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

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

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

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

VEBA PORTFOLIO VALUE 2019

VEBA 2019	DODGE & COX	CASH	LORD ABBOTT	CS MCKEE	MFS	AMERICAN FUND	LOOMIS	PRISA	TOTAL
Jan-19	7,474,999.62	6,908,608.51	7,133,937.28	10,247,281.78	9,913,026.33	5,070,281.62	4,921,548.11	3,849,999.99	55,519,683.24
Feb-19	9,626,153.72	529,804.20	7,382,478.70	10,246,096.63	10,387,610.00	10,821,238.19	4,052,301.26	3,849,999.99	56,895,682.69
Mar-19									0.00
Apr-19									0.00
May-19									0.00
Jun-19									0.00
Jul-19									0.00
Aug-19									0.00
Sep-19									0.00
Oct-19									0.00
Nov-19									0.00
Dec-19									0.00

Money Manager Fees

2018	CS MCKEE	MFS	LOOMIS	TOTAL
1ST QTR				0.00
2ND QTR				0.00
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
PRISA US CORE REAL ESTATE

ACCOUNT STATEMENT

Statement Period
Account Number

02/01/2019 through 02/28/2019
M03380

063

Preliminary Changes In Net Assets

	COST VALUE	MARKET VALUE
BEGINNING BALANCE AS OF 02/01/2019	50,699,387.45	55,737,924.64
EARNINGS		
CASH INCOME	34,156.61	34,156.61
LESS PRIOR ACCRUED INCOME	78,064.17-	78,064.17-
PLUS CURRENT ACCRUED INCOME	88,070.48	88,070.48
REALIZED GAIN/LOSS ON SALE OF ASSETS	26,897.36	26,897.36
NET UNREALIZED GAIN OR LOSS	0.00	1,063,034.09
TOTAL EARNINGS	71,060.28	1,134,094.37
CONTRIBUTIONS & OTHER INCREASES		
EMPLOYER CONTRIBUTIONS	117,123.76	117,123.76
TRANSFERS	32.18	32.18
TOTAL CONTRIBUTIONS & OTHER INCREASES	117,155.94	117,155.94
DISTRIBUTIONS & OTHER DECREASES		
FEES & EXPENSES	4,455.22-	4,455.22-
TOTAL DISTRIBUTIONS & OTHER DECREASES	4,455.22-	4,455.22-
ENDING BALANCE AS OF 02/28/2019	50,883,148.45	56,984,719.73

C.S. McKee, L.P.

Account Overview

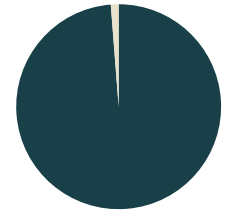
Bay County VEBA

Client Code: 90477
 As Of Date: 1/31/2019
 Report: Calendar

Asset Allocation

As of 1/31/2019

Large-Cap Equity	\$	-	0.00%
Small-Cap Equity	\$	-	0.00%
Fixed Income	\$	10,189,475.43	98.77%
Intl Mutual Fund	\$	-	0.00%
Cash	\$	126,531.72	1.23%
Other	\$	-	0.00%
Total Portfolio:	\$	10,316,007.15	100.00%



Performance

As of 1/31/2019

Portfolio Summary - Month-to-Date	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	16,690,091.64	-	-	-	16,690,091.64	-
Net Contributions (Distributions):	(6,500,000.00)	-	-	-	(6,500,000.00)	-
Income:	33,736.83	-	-	-	33,736.83	-
Market Appreciation (Depreciation):	92,178.69	-	-	-	92,178.69	-
Ending Market Value:	10,316,007.15	-	-	-	10,316,007.15	-
Dollar-Weighted Return:	0.75%	-	-	-	0.75%	-

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	1.19%	-	-	-	-	1.19%	1.20%	-
	<i>Benchmark</i>	1.06%	-	-	-	-	1.06%	1.06%	-
	Value Added (Gross)	0.13%	-	-	-	-	0.13%	0.14%	-
QTD	Gross	1.19%	-	-	-	-	1.19%	1.20%	-
	<i>Benchmark</i>	1.06%	-	-	-	-	1.06%	1.06%	-
	Value Added (Gross)	0.13%	-	-	-	-	0.13%	0.14%	-
YTD	Gross	1.19%	-	-	-	-	1.19%	1.20%	-
	<i>Benchmark</i>	1.06%	-	-	-	-	1.06%	1.06%	-
	Value Added (Gross)	0.13%	-	-	-	-	0.13%	0.14%	-
1 Year	Gross	2.56%	-	-	-	-	2.56%	2.54%	-
	<i>Benchmark</i>	2.25%	-	-	-	-	2.25%	2.25%	-
	Value Added (Gross)	0.31%	-	-	-	-	0.31%	0.29%	-
3 Year	Gross	2.32%	-	-	-	-	2.32%	2.33%	-
	<i>Benchmark</i>	1.95%	-	-	-	-	1.95%	1.95%	-
	Value Added (Gross)	0.37%	-	-	-	-	0.37%	0.38%	-
5 Year	Gross	2.88%	-	-	-	-	2.88%	2.93%	-
	<i>Benchmark</i>	2.44%	-	-	-	-	2.44%	2.44%	-
	Value Added (Gross)	0.44%	-	-	-	-	0.44%	0.49%	-
ITD	Gross	2.60%	-	-	-	-	2.60%	2.66%	-
	<i>Benchmark</i>	2.15%	-	-	-	-	2.15%	2.15%	-
	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 January 31, 2019

	1 Mo. Ended	3 Mos. Ended	Year-to- Date	Annualized				
				1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Stock Fund*	8.52%	-.39%	8.52%	-4.57%	15.82%	9.56%	15.28%	9.32%
Dodge & Cox Global Stock Fund*	8.43%	.60%	8.43%	-10.51%	13.58%	6.55%	13.78%	N.A.
Dodge & Cox International Stock Fund*	8.51%	1.26%	8.51%	-16.34%	9.64%	2.06%	10.04%	N.A.
Dodge & Cox Balanced Fund*	5.93%	.58%	5.93%	-2.31%	11.57%	7.37%	12.41%	8.15%
Dodge & Cox Income Fund*	1.51%	2.57%	1.51%	1.57%	3.73%	2.91%	5.07%	5.11%
Dodge & Cox Global Bond Fund*†	2.54%	3.65%	2.54%	-.05%	6.50%	2.59%	N.A.	N.A.
<u>Comparative Indices</u>								
S&P 500 Index	8.01%	.26%	8.01%	-2.31%	14.02%	10.96%	15.00%	5.81%
MSCI World Index	7.78%	.72%	7.78%	-6.54%	11.26%	6.94%	11.51%	N.A.
MSCI EAFE Index	6.57%	1.27%	6.57%	-12.51%	7.74%	2.66%	8.11%	N.A.
Combined Index	5.23%	1.77%	5.23%	-.21%	9.23%	7.66%	10.60%	5.61%
Bloomberg Barclays U.S. Aggregate Bond Index	1.06%	3.53%	1.06%	2.25%	1.95%	2.44%	3.68%	4.57%
Bloomberg Barclays Global Aggregate Bond Index	1.52%	3.90%	1.52%	-.88%	2.92%	1.17%	N.A.	N.A.

*** SEC Standardized Total Returns as of 12/31/18:**

Dodge & Cox Stock Fund: 1 Year -7.08%; 5 Years 7.05%; 10 Years 13.17%

Dodge & Cox Global Stock Fund: 1 Year -12.65%; 5 Years 4.10%; 10 Years 11.45%

Dodge & Cox International Stock Fund: 1 Year -17.98%; 5 Years -0.48%; 10 Years 7.72%

Dodge & Cox Balanced Fund: 1 Year -4.61%; 5 Years 5.77%; 10 Years 11.04%

Dodge & Cox Income Fund: 1 Year -0.31%; 5 Years 2.87%; 10 Years 5.01%

Dodge & Cox Global Bond Fund†: 1 Year -1.45%; 5 Years 2.03%; Since Inception 12/05/12 2.13%

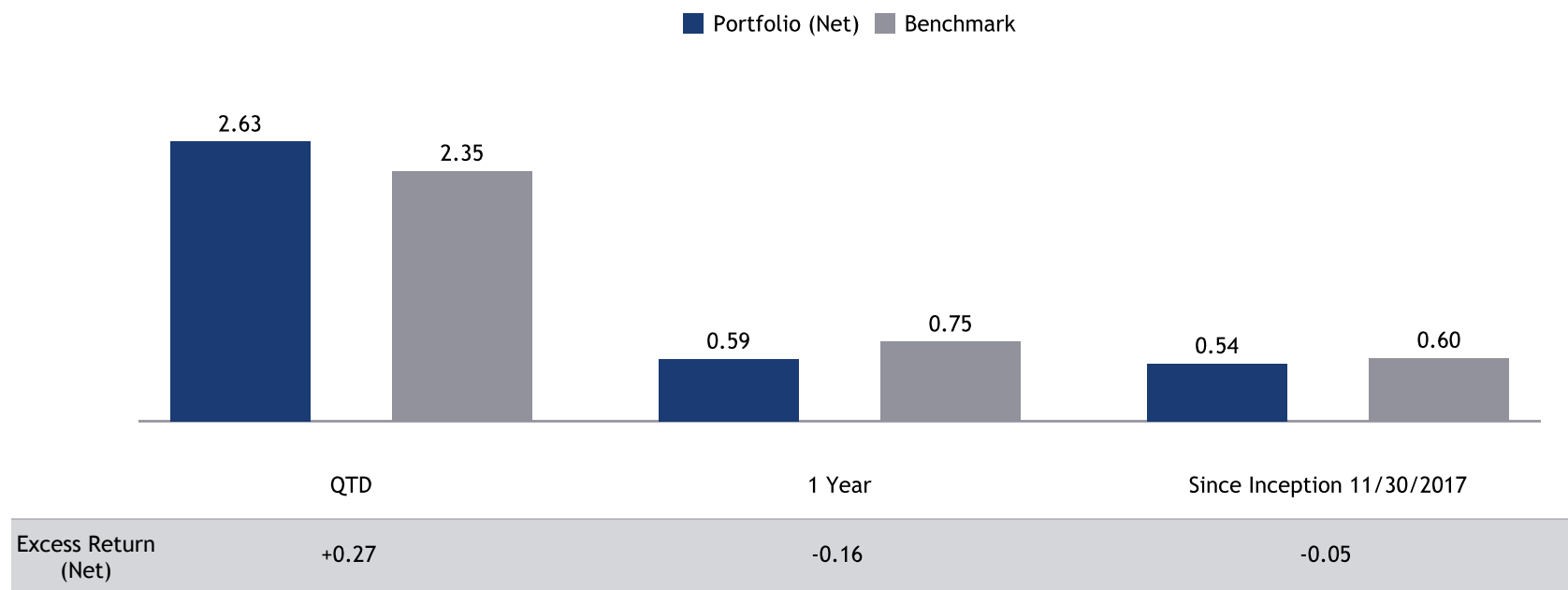
† A private fund managed by Dodge & Cox with proprietary assets was reorganized into the Dodge & Cox Global Bond Fund on April 30, 2014. Any Fund portfolio characteristics, performance, or attribution information for periods prior to May 1, 2014, are those of the private fund.

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.

performance

TRAILING RETURNS AS OF 1/31/2019 (%)



PORTFOLIO VALUATION (USD)

	Portfolio 12/31/2018	Portfolio 1/31/2019	Increase/Decrease
Total	4,921,548	4,052,301	-869,247

Data Source: Barclays Capital

Benchmarks: BBG B-ARC U.S. Corporate Investment Grade (11/30/2017 - 1/31/2019).

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



LOOMIS SAYLES

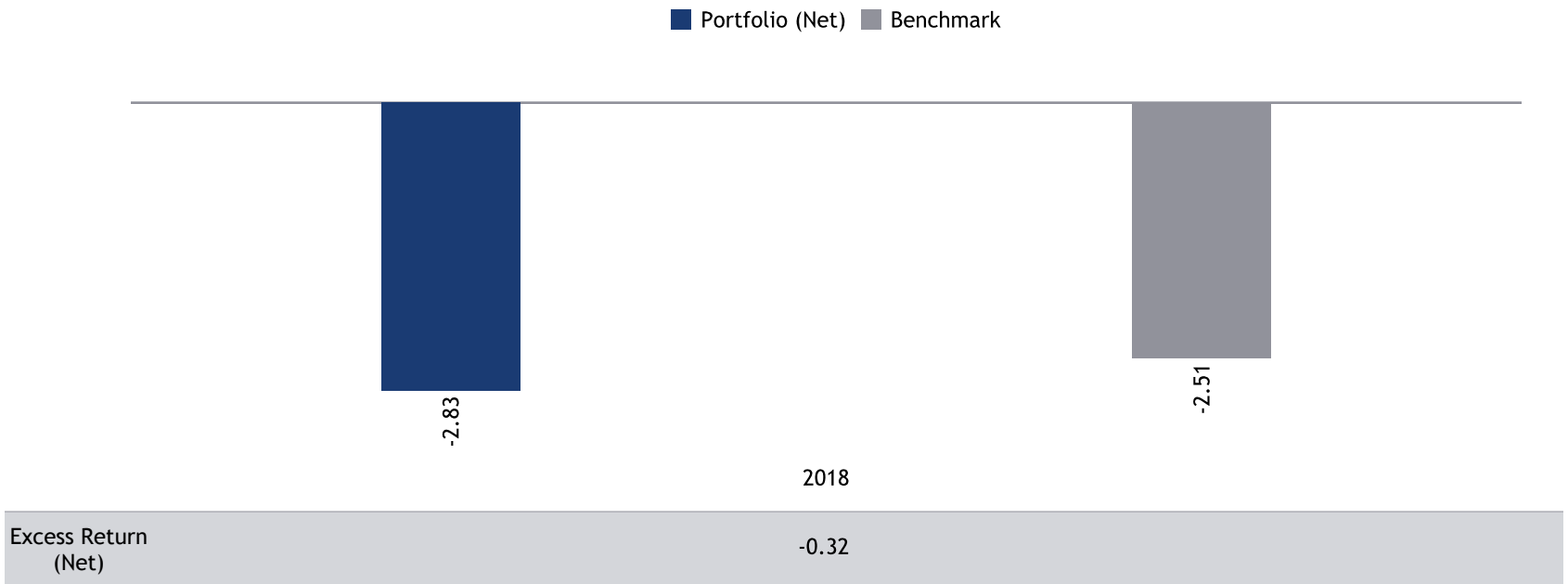
Sources: Loomis, Sayles & Company, L.P. and others

For Institutional Investor Use Only. Not for Further Distribution

January 31, 2019

performance

CALENDAR YEAR RETURNS AS OF 1/31/2019 (%)



*Data Source: Barclays Capital
 Benchmarks: BBG B.ARC U.S. Corporate Investment Grade (11/30/2017 - 1/31/2019).
 The current benchmark is Bloomberg Barclays Corporate Index. Returns over one year are annualized. Information is reported on a trade date basis.*

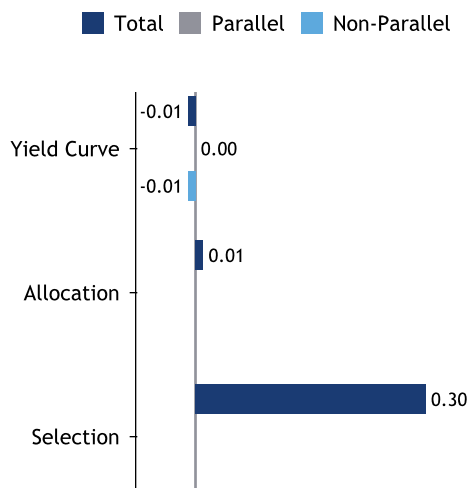
performance attribution by sector

12/31/2018 TO 1/31/2019 (%)

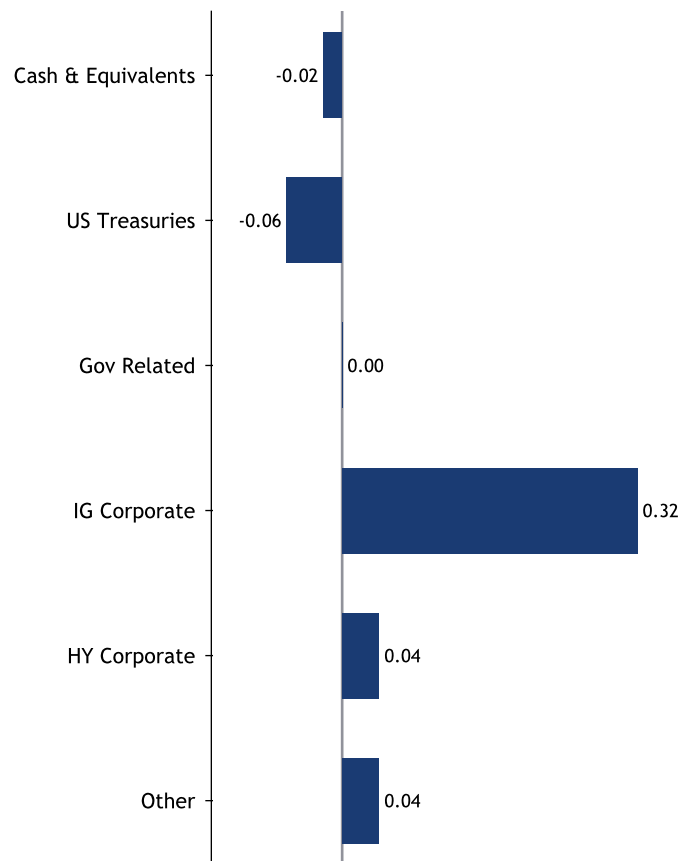
TOTAL RETURNS

	Total Return
Portfolio Return	2.66
Benchmark Return	2.35
Excess Return	0.31

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

12/31/2018 TO 1/31/2019

PORTFOLIO SUMMARY

	12/31/2018			1/31/2019		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
Yield to Worst (%)	4.52	4.19	0.33	4.11	3.89	0.22
Maturity (years)	11.28	10.67	0.61	10.79	10.68	0.10
Effective Duration (years)	7.17	7.12	0.06	7.31	7.19	0.11
Coupon (%)	4.00	4.00	0.00	4.06	4.00	0.06
Average Quality	A3	A3	-	A3	A3	-
OAS (bps)	173	150	23	138	126	12

QUALITY SUMMARY (% OF TOTAL MARKET VALUE)

	12/31/2018			1/31/2019		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
AAA	6.77	2.24	4.54	4.90	2.22	2.67
AA	10.73	16.69	-5.96	11.77	16.59	-4.82
A	41.35	44.88	-3.53	42.20	45.34	-3.15
BAA	40.69	36.11	4.58	40.68	35.58	5.11
BA	0.45	0.08	0.37	0.46	0.00	0.46
B & Below	0.00	0.00	0.00	0.00	0.27	-0.27

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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January 31, 2019

Bay County Voluntary Employees' Beneficiary Association Trust - Growth Equity
Valuation Summary
31-Jan-19
Portfolio Currency: USD

	Cost	Market Value	Accrued Income	Total Value	Total Value
OPENING CASH AS OF 12/31/2018	221,285.61	221,285.61	0.00	221,285.61	2.42 %
CLOSING CASH AS OF 1/31/2019	139,388.25	139,388.25	0.00	139,388.25	1.41 %
COMMON STOCK	6,856,811.22	9,707,692.56	2,090.59	9,709,783.15	97.93 %
ADR	62,303.14	65,872.54	0.00	65,872.54	.66 %
	7,058,502.61	9,912,953.35	2,090.59	9,915,043.94	100.00 %
Accrued Income:		2,090.59			
Total Value:		9,915,043.94			

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



31 January 2019

Performance results (%) gross and net of fees (USD)	Portfolio		Excess returns	
	Gross of fees	Net of fees	Benchmark [^]	Net vs benchmark
January 2019	8.57	8.52	8.99	-0.47
1 year	2.42	1.84	0.24	1.60
3 year	16.55	15.89	16.60	-0.71
Since client inception (30-Dec-15)	13.44	12.79	13.28	-0.49

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

Characteristics	Portfolio	Benchmark ^{^^}
Fundamentals - weighted average		
IBES long-term EPS growth ¹	18.3%	17.3%
Price/earnings (12 months forward)	24.1x	20.2x
Market capitalization		
Market capitalization (USD) ²	253.1 bn	265.5 bn
Diversification		
Top ten holdings	42%	34%
Number of holdings	80	545
Turnover		
Trailing 1 year turnover ³	14%	-
Risk/reward (3 year)		
Beta vs benchmark	0.98	-
Risk/reward (since inception)		
Historical tracking error ⁴	3.17%	-

¹ Source: Ibbotson

² Weighted average.

³ (Lesser of Purchase or Sales)/Average Month End Market Value

⁴ Since inception, based on first full month of performance.

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.

^{^^} Russell 1000[®] Growth Index

Asset summary (USD)	
Beginning value as of 31-Dec-18	9,131,650
Contributions	0
Withdrawals	0
Change in market value	+783,394
Ending value as of 31-Jan-19	9,915,044

Top 10 issuers	Sector	% of Portfolio
VISA INC	Information Technology	7.4
ALPHABET INC	Communication Services	6.6
MICROSOFT CORP	Information Technology	6.4
AMAZON.COM INC (EQ)	Consumer Discretionary	6.3
ADOBE INC	Information Technology	4.4
FACEBOOK INC	Communication Services	3.2
THERMO FISHER SCIENTIFIC INC	Health Care	2.7
SALESFORCE.COM INC	Information Technology	2.7
FISERV INC	Information Technology	2.3
NETFLIX INC	Communication Services	2.3

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FOR MORE INFORMATION CONTACT

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Thomas Shanley,
Client Service Manager
Phone: 617-954-7492 • tshanley@mfs.com

Bay County Voluntary Employees' Beneficiary Association Trust

Growth Equity



Sectors (%)	Portfolio	Benchmark^^
Information Technology	33.4	31.2
Communication Services	17.9	12.4
Health Care	15.6	14.1
Consumer Discretionary	13.3	15.3
Industrials	7.0	12.0
Financials	4.3	4.4
Consumer Staples	3.8	5.7
Materials	2.6	1.8
Energy	0.8	0.8
Real Estate	-	2.3

1.4% Cash & cash equivalents

^^ Russell 1000® Growth Index

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS.

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FOR MORE INFORMATION CONTACT

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Bay County Voluntary Employees' Beneficiary Association Trust
Growth Equity
Report as of 31 January 2019

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

Period	Portfolio gross	Portfolio net	Benchmark[^]	Excess^{^^}
January	8.57	8.52	8.99	-0.47
1 year	2.42	1.84	0.24	1.60
3 year	16.55	15.89	16.60	-0.71
Since client inception (30-Dec-15)	13.44	12.79	13.28	-0.49

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: 1/31/2019

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>January</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>January</u>	<u>YTD</u>	<u>January</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 1/31/2019 \$ 0.00 \$ 0.00

Bay County Employees' VEBA

CAPIS Account: 10250

Settlement Month Ending: 1/31/2019

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



**BAY COUNTY VEBA TRUST
SECURITIES LOAN STATEMENT
January 2019
Account Officer : DANIEL BERD**

TOTAL EARNINGS	\$1,799.48
LESS TOTAL REBATE	\$1,714.56
TOTAL GROSS	\$84.92
LESS BANK FEE	\$20.96
TOTAL NET EARNINGS	\$63.96

Detailed Earnings Summary

Total Earnings :	\$1,799.48
Total Rebate Expense :	\$1,714.56
Total Gross :	\$84.92
Total Bank Fees :	\$20.96
Total Net Earnings :	\$63.96

2019 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	(12,245.00)	-	(12,245.00)	(1,156.02)	-	(11,088.98)	-
ER CONTR-HEALTH FUND	(68,228.00)	-	(68,228.00)	(5,081.40)	-	(63,146.60)	7%
ER CONTR-ROAD COMMISS.	(360,000.00)	-	(360,000.00)	-	-	(360,000.00)	0%
ER CONTR-LIBRARY	(72,000.00)	-	(72,000.00)	-	-	(72,000.00)	0%
ER CONTR-GOLF COURSE	(5,069.00)	-	(5,069.00)	-	-	(5,069.00)	0%
ER CONTR-GENERAL FUND	(411,404.00)	-	(411,404.00)	(39,923.15)	-	(371,480.85)	10%
ER CONTR-DWS	(90,000.00)	-	(90,000.00)	(15,590.98)	-	(74,409.02)	17%
ER CONTR-911 SERVICE	(45,637.00)	-	(45,637.00)	(3,387.60)	-	(42,249.40)	7%
ER CONTR-CHILD CARE	(44,198.00)	-	(44,198.00)	(3,105.30)	-	(41,092.70)	7%
ER CONTR-DIV ON AGING	(46,432.00)	-	(46,432.00)	(3,911.20)	-	(42,520.80)	8%
ER CONTR-RETIRE SYSTEM	(2,227.00)	-	(2,227.00)	-	-	(2,227.00)	0%
ER CONTR-GYPSY MOTH	(2,581.00)	-	(2,581.00)	(408.77)	-	(2,172.23)	16%
ER CONTR-HOME REHABIL.	-	-	-	-	-	-	0%
ER CONTR-100% TAX PYMT	(3,338.00)	-	(3,338.00)	(282.30)	-	(3,055.70)	8%
ER CONTR-MED CARE FAC.	(485,934.00)	-	(485,934.00)	-	-	(485,934.00)	0%
ER CONTR-SELF INSURANC	(483.00)	-	(483.00)	(338.75)	-	(144.25)	70%
ER CONTR-COMM.CORRECT.	(2,025.00)	-	(2,025.00)	-	-	(2,025.00)	0%
ER CONTR-F.O.C. FUND	(2,263.00)	-	(2,263.00)	-	-	(2,263.00)	0%
ER CONTR-HOUSING FUND	(5,623.00)	-	(5,623.00)	(282.30)	-	(5,340.70)	5%
ER CONTR-SOLDIER RELIE	-	1.00	-	-	-	-	0%
ER CONTRIB-LOCAL CFO TR	(602.00)	2.00	(602.00)	-	-	(602.00)	0%
ER CONTRIB-CONC PISTOL	(536.00)	-	(536.00)	(84.68)	-	(451.32)	16%
ER CONTR-MIDC FUND	-	-	-	-	-	-	0%
ER CONTR-SHERIFF DEPT	(174,208.00)	-	(174,208.00)	(13,832.70)	-	(160,375.30)	8%
Total RJ LOCAL UNIT CONTRIBUT	(1,835,033.00)	3.00	(1,835,033.00)	(87,385.15)	-	(1,747,647.85)	5%
INVESTMENT INTEREST/DIVIDENDS	(500,000.00)	-	(500,000.00)	-	-	(500,000.00)	0%
GAIN ON SALE OF INVESTMENTS	(1,500,000.00)	-	(1,500,000.00)	-	-	(1,500,000.00)	0%
UNREALIZED GAIN ON INVESTMENTS	-	-	-	-	-	-	0%
SECURITIES LENDING EARNINGS	(288.00)	-	(288.00)	-	-	(288.00)	0%
Total RP INTEREST & RENTALS	(2,000,288.00)	-	(2,000,288.00)	-	-	(2,000,288.00)	0%
MISCELLANEOUS REVENUES	-	-	-	-	-	-	0%
COMMISSION RECAPTURE	(5,000.00)	1.00	(5,000.00)	-	-	(5,000.00)	0%
Total RR OTHER REVENUE	(5,000.00)	1.00	(5,000.00)	-	-	(5,000.00)	0%
TRANSFERS IN FROM GENERAL FUND	-	3.00	-	-	-	-	0%
TOTAL OTHER FINANCING SOURCE	-	3.00	-	-	-	-	0%

2019 VEBA YTD BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
PER DIEM	360.00	5.00	360.00	-	-	360.00	0%
Total XE WAGES & SALARIES	360.00	5.00	360.00	-	-	360.00	0%
OFFICE SUPPLIES	100.00	7.00	100.00	-	-	100.00	0%
PRINTING AND BINDING	150.00	8.00	150.00	-	-	150.00	0%
POSTAGE	70.00	9.00	70.00	-	-	70.00	0%
COMPUTER SUPPLIES	50.00	10.00	50.00	-	-	50.00	0%
Total XI SUPPLIES	370.00	34.00	370.00	-	-	370.00	0%
PROFESSIONAL SERVICES	130,000.00	12.00	130,000.00	-	-	130,000.00	0%
ACTUARIAL SERVICES	45,000.00	13.00	45,000.00	-	-	45,000.00	0%
INVESTMENT/BANK SERVICE CHARGE	10,000.00	14.00	10,000.00	-	-	10,000.00	0%
LEGAL FEES	-	15.00	-	-	-	-	0%
CONSULTANTS	16,000.00	16.00	16,000.00	4,000.00	-	12,000.00	25%
LOCAL TRAVEL MILEAGE	-	17.00	-	-	-	-	0%
EQUIPMENT RENTAL-COPY MACHINES	53.00	18.00	53.00	-	-	53.00	0%
INDIRECT COST EXPENSE	5,952.00	19.00	5,952.00	496.00	-	5,456.00	8%
LOSS ON DISPOSAL OF ASSET	424,266.00	20.00	424,266.00	-	-	424,266.00	0%
UNREALIZED LOSS ON INVESTMENTS	-	21.00	-	-	-	-	0%
INSURANCE AND BONDS	4,000.00	22.00	4,000.00	-	-	4,000.00	0%
Total XL OTHER SERVICES AND C	635,271.00	187.00	635,271.00	4,496.00	-	630,775.00	1%
Revenue Total	(636,001.00)	7.00	(636,001.00)	(87,385.15)			
Expense Total	636,001.00	226.00	636,001.00	4,496.00			
Grand Total	-	233.00	-	(82,889.15)			

VEBA

Invoices Approved: Feb-19

Invoice Date	Vendor	Amount	Description
1/25/2019	ANDCO CONSULTING	\$ 4,000.00	2Q 2019 CONSULTING FEES



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

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

Jan Histed
Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Kristal Gonzales
Richard Gromaski
Thomas M. Herek
Jon Morse
Matthew Pett
Thomas Ryder
Sandy Shutt
Shawna Walraven

TO: STEVE GRAY, CHAIR, VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

FROM: KATIE ZANOTTI, RETIREMENT ADMINISTRATOR *KZ*

ADMINISTRATIVE STAFF
Katie Zanotti
Tracy Cederquist
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-2076

DATE: MARCH 4, 2019

RE: AUTHORIZED SIGNERS FOR VEBA INVOICES

Request:

For the Board to review and discuss adding a third authorized signer to approve payment for VEBA invoices.

Background:

Past practice has designated the Board Chair and Vice Chair the authority to sign and approve payment for VEBA invoices. Accounts payable requires a signature from an authorized signer to process an invoice for payment. Paid invoices are listed on the "Invoices Paid" report in the monthly agenda packet. Neither the current Chair nor Vice Chair is an employee in the Bay County building. It would be practical to designate a third trustee as an authorized signer to approve invoices. The Bay County Treasurer and VEBA trustee, Shawna Walraven, is employed in the Bay County building and would be a convenient authorized signer when administration needs to quickly process an invoice for payment.

Finance/Economics:

None.

Recommendation:

For this Board to designate the Chair, Vice Chair, and Shawna Walraven as authorized signers to approve payment for VEBA invoices.

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
3/12/2019
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD

WHEREAS, Past practice has designated the Board Chair and Vice Chair the authority to sign and approve payment for VEBA invoices.

WHEREAS, Accounts payable requires a signature from an authorized signer to process an invoice for payment. Paid invoices are listed on the "Invoices Paid" report in the monthly agenda packet.

WHEREAS, Neither the current Chair nor Vice Chair is an employee in the Bay County building. It would be practical to designate a third trustee as an authorized signer to approve invoices. The Bay County Treasurer and VEBA trustee, Shawna Walraven, is employed in the Bay County building and would be a convenient authorized signer when administration needs to quickly process an invoice for payment. Therefore, Be It

RESOLVED That this Board designate the Chair, Vice Chair, and Shawna Walraven as authorized signers to approve payment for VEBA invoices.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION – AUTHORIZED SIGNERS FOR INVOICES

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

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

Vote Totals:

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

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