

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, APRIL 14, 2015

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

**COMMISSIONERS CHAMBERS  
515 CENTER AVENUE - 4<sup>TH</sup> FLOOR  
BAY CITY, MI 48708**

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 7	1.	MARCH 10, 2015
	IV.	PUBLIC INPUT
8 - 23	A.	MONTHLY REPORTS - No. 2015 - 4
	1.	PORTFOLIO VALUE 1/01/15 - 3/31/15
	2.	CHANGE IN BOOK AND MARKET VALUE - 2/28/15
	3.	MONEY MANAGER REPORTS
	a.	C.S. MCKEE - PORTFOLIO ENDING - 2/28/15
	4.	RECAPTURE
	a.	CAPIS - ENDING 2/28/15
	5.	VEBA YTD BUDGET REPORT - 3/31/15
	6.	APPROVED EXPENSES - 3/31/15
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, MAY 12, 2015 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 <sup>TH</sup> FLOOR, BAY CITY, MI 48708
	VI.	UNFINISHED BUSINESS
	VII.	NEW BUSINESS
	VIII.	MISCELLANEOUS BUSINESS
	IX.	ADJOURNMENT

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)**  
**MARCH 10, 2015 MINUTES VEBA**

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

The meeting of the Board of Trustees was held on March 10, 2015 at 2:54 p.m. in the Commission Chambers, 4<sup>th</sup> Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

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

**Trustees Absent:** Mr. Gromaski.

**Also Present:**

Consultant: The Bogdahn Group: Howard Pohl.  
Finance Officer: Crystal Hebert  
Retirement Administrator: Rebecca Marsters  
Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 2:54 p.m.

MOTION 14: Moved, supported and carried to excuse Trustee Gromaski.

MOTION 15: Moved, supported and carried to approve the minutes, as printed, from the February 10, 2015 regular meeting.

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

Present today were Mr. Jim Anderson and Ms. Shana Neeson of Gabriel Roeder & Smith to present the 2013 actuarial report. A copy of their presentation was provided to Trustees, in advance, via the web.

Mr. Anderson went over the background of VEBA and OPEB (other post-employment benefits) as well as defined benefits. Retiree health care benefits are not necessarily in any ordinance. They are usually what has been negotiated. The definitions of what the benefits are change over time. Changes in the external environment can dramatically effect OPEB costs. This is seen with respect to health care reform and the Affordable Care Act. This can impact health care costs, OPEB costs. In this valuation for the first time, they have excise taxes value for the plans. The excise taxes they talked about two years ago. This is where health care plan costs are projected to be above certain levels as set up by the Act. The levels are \$10,200 for single coverage, \$27,500 family coverage in 2018. He stated the reason for the tax now is because they project those benefit levels at CPI-U and as they project the current health care plan costs, that's where medical inflation gets higher than CPI-U so that is they get over the amounts in the future as they are projecting benefits forward. As a result, the excise tax is coming up. The

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)**  
**MARCH 10, 2015 MINUTES VEBA**

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Affordable Care Act also brings the possibility that folks might have other sources for retired health care and that is another possible source. That is something that comes into value in the plans that they consider.

He talked about issues with respect to funding these plans. He explained the role of the actuary and how they calculate the valuation. It all comes down to the equation  $C + I = B + E$ . Contributions plus investment income ultimately have to equal benefits paid plus the expenses associated with the plan. A word on investment income, BABH stands out in the Bay County Health Care Plan as a plan that has always pre-funded the entire ARC. This last valuation they have become over funded to some degree. They are looking for I to be the primary driver at this point. They can rely on some investment income to pay these benefits rather than all contributions. Other groups are pre-funding on more of a partial basis.

Mr. Anderson explained there are going to be more retirees and more medical care increasing. In a few years things will stabilize if you have a stable population as we go forward. That is one way to finance the benefits, pay as you go. He stated their job as actuaries is to find that level contribution line and that is comprised of a couple of items. Low contribution for employer/employee contributions where there is employee contribution to the pension plan. He explained about making more in contributions than benefits being earned and through those years accumulate funds where finally investment income becomes that top part of the graph. That will pay the benefits. There are certain damages to pre-fund. As you might imagine, the VEBA trust having assets in trust on behalf of benefits payable to plan members. The concept of generating I (investment income) to help pay B (the benefits). They aim for a level contribution pattern. It will not be exactly level, but much more level than pay-as-you-go. That keeps from increasing costs on future generations. Lastly, the valuation is really compliant with legal, accounting and other requirements as you go along.

He went over the components of the actuarial valuation including demographics, plan provisions including claims and premiums the benefits promised to the people, they made actuarial assumptions for when these benefits will be paid. That comes in with the financial information all pulled into the actuarial valuation to develop contribution requirement. He went over the annual required contribution = the normal cost + the amortization of the unfunded liability. He explained they amortized the unfunded liability. Assets that should be, in theory, accumulated to date to pay for all that accrued liability. If there is a shortfall there, they amortize that over a period of years. Add those two together and get the contribution.

Ms. Neeson talked about the purpose of the valuation to comply with the requirements for GASB statements No.45 and also provide the necessary information for GASB statement 43. These are governmental accounting standards issued. She stated it was important to keep in mind that GASB statements are accounting statements and not funding requirements. They

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)**  
**MARCH 10, 2015 MINUTES VEBA**

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require them to determine the ARC (annual required contribution). Entities that continuously do not pre-fund will typically have large, unfunded liabilities that will show up on their financial statements over time and could potentially impact their ability to borrow money.

Ms. Neeson talked about some specifics of the actuarial valuation. The amortization periods that are applied to each group and the method used for each of those. They used a level percent of pay for open groups where they expect new hires to come into the plan and continue the qualify for retiree health insurance. They use the level dollar method for the closed groups where future hires are not eligible to participate in the retirement health plan. The amortization periods are detailed for each group. In 2011 value, they used amortization periods that were two years higher. They have been reduced by two years because they are doing the valuation two years later. The purpose of that is to help make progress with the funding. If you continue to amortize your unfunded liability over an open period so every year we refinance over 28 years, you are never making progress in funding that unfunded amount.

Trustee Herek asked if it really made a difference in the amortization period as far as the VEBA was concerned because they are dealing with something that doesn't have to be funded. Mr. Anderson stated, as Ms. Neeson says, it is somewhat theoretical in that sense because as you said it is nothing that will require a contribution. Trustee asked if it would make sense that they all be the same. Mr. Anderson stated one of the key differences is - The Road Commission in particular - they do look every year at the future working lifetime of the Road Commission. With respect to the others, he tried to recall - one thing that is important is level dollar fees for plans that are closed. That would be a distinction we would definitely make. He thought for the rest they could, in theory, blend them all together.

Trustee Starkweather asked how the interest rate used in the amortization was determined. Mr. Anderson stated the interest rate - I think I mentioned earlier BABH is funding the whole ARC and since they are doing that, we are allowed to use essentially the same rate we are using for the Pension Plan 7.5% because they are funding that whole ARC. The other systems are all partially funded so for those systems we use 6% interest rate.

Trustee Coonan asked if these actuarial valuations are required on a yearly basis. Mr. Anderson stated for VEBA they are required every two years.

Ms. Neeson spoke of changes that occurred that resulted in changes in the required contribution. First was the updated trend. This is the medical inflation trend assumption making a projection of what they expect to happen to claims or premium rates going forward based on historical or what is happening in the medical industry with regard to rates. They updated the trend assumption and overall all of the groups had very favorable premium or claims experience with the exception of the Library group. This is the first year that they amortized the Library as level dollar. In this valuation, they have included some adjustments for the excise tax. They looked at it on an

**MINUTES** BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)  
MARCH 10, 2015 MINUTES VEBA

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individual group basis. The Medical Care Facility and the BABH they did not apply any adjustments to them due to their rates and projection of costs going forward. They do not expect them to exceed to the excise tax or to be impacted very significantly by that. General and Road Commission they applied a 1% load to those groups. The DWS a 2% load, the Library at 15% load and Road Commission a 3% load. All to account for that excise tax beginning in 2018.

She stated a few items not detailed on here were that we updated the demographic assumptions to be consistent with the most recent pension valuation. This is the first year with the new demographic assumptions. They also made adjustments to benefit election assumptions for several of the groups. They have to make an assumption regarding how they expect people to elect one or two person coverage once they become a retiree so they updated based on actual plan experience for the General Group, BABH, BMCF, the Sheriff's and the Road Commission.

Ms. Neeson went over the actual annual required contributions. Overall, you will see that for fiscal year 2013, our last valuation, had a total annual required contribution of \$12.4 million for all of the plans in total. This valuation for both 2014 and 2015 fiscal year is about \$10.4 million so you see a rather significant drop from the last valuation. Again, due a lot to good plan experience and good rate experience for those plans that are fully insured. The Library had some poor rate experience so that is why you will see their contribution go from \$167,000 to \$384,000 just between the last valuation and this one.

Ms. Neeson stated that across the board there was a decrease in the funded ratios in every group except for the Library due largely to their poor experience so they have a significant increase in the liability. She explained the normal cost piece and the amortization piece. She explained that deferred vested members are not eligible for retiree health and that is why you see no counts or any mention of deferred members.

There were no further questions and Mr. Anderson and Ms. Neeson concluded the presentation.

MOTION 16: Moved, supported and carried to receive the 2013 Actuarial Valuation report from Gabriel, Roeder, & Smith.

RES. 2015-3:

Moved, supported and carried to adopt resolution 2015-3 to receive the following monthly reports: Portfolio Value ending 2/28/15, Monthly Change in Book and Market Value ending 1/31/15, C.S. McKee performance report ending 1/31/15, Capis Recapture services ending 1/31/15, VEBA YTD Budget Report ending 2/28/15, and Approved Expenses Report ending 2/28/15.

**MINUTES** BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)  
MARCH 10, 2015 MINUTES VEBA

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MOTION 17: Moved, supported and carried to receive correspondence from Atalanta Sosnoff and C.S. McKee regarding rebalance of asset allocation.

**ANNOUNCEMENTS:**

A. Next regularly scheduled meeting will be Tuesday, April 14, 2015 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4<sup>th</sup> Floor, Bay City, MI 48708.

**UNFINISHED BUSINESS:** None.

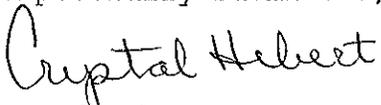
**NEW BUSINESS:** None.

**MISCELLANEOUS BUSINESS:** None

**ADJOURNMENT:**

MOTION 18: Moved, supported and carried to adjourn the meeting at 3:09 p.m.

Respectfully submitted,

  
Crystal Hebert

Finance Officer/Secretary

Transcribed by: Tracy Cederquist

**MEETING OF THE V.E.B.A. BOARD OF TRUSTEES COMMITTEE**  
MARCH 10, 2015

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

MEETING CALLED TO ORDER BY: CHAIR STEVE GRAY AT 2:40 P.M.

**Motions**

TRUSTEE	14	15	16	17	18					1
BRZEZINSKI	Y	Y	Y	Y	S					
COONAN	Y	Y	Y	Y	Y					
GRAY	Y	Y	Y	Y	Y					
GROMASKI	E	E	E	E	E					
HEREK	S	S	S	S	Y					
MORSE	Y	Y	Y	Y	Y					
PETT	M	Y	M	M	Y					
STARKWEATHER	Y	M	Y	Y	M					
GOETZ	Y	Y	Y	Y	Y					

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

**MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE**  
MARCH 10 , 2015

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

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 2:40 P.M.

**RESOLUTIONS**

<b>TRUSTEE</b>	<b>3</b>									
BRZEZINSKI	M									
COONAN	Y									
GRAY	Y									
GROMASKI	E									
HEREK	Y									
MORSE	Y									
PETT	Y									
STARKWEATHER	Y									
GOETZ	S									

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

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
4/14/2015  
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD

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

1. PORTFOLIO VALUE - 1/1/15 - 3/31/15
2. CHANGE IN BOOK AND MARKET VALUE - 2/28/2015
4. MONEY MANAGER REPORTS
  - a. C.S. MCKEE - ENDING 2/28/2015
5. RECAPTURES SERVICES
  - a. CAPIS - SUMMARY ENDING 2/28/2015
6. VEBA YTD BUDGET REPORT - ENDING 3/31/15
7. APPROVED EXPENSES - 3/31/15

STEVE GRAY, CHAIR  
AND BOARD

MONTHLY REPORTS - APRIL

MOVED BY TRUSTEE \_\_\_\_\_  
SUPPORTED BY TRUSTEE \_\_\_\_\_

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

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

VEBA 2015	<u>DODGE &amp; COX</u> <small>no vendor number. Mutual Fund Mgrs (as opposed to separately managed mgrs) deduct fee from portfolio.</small>	<u>CASH</u>	<u>ATLANTA SOSNOFF</u> 1061	<u>LORD ABBOTT</u> <small>no vendor number. Mutual Fund Mgrs (as opposed to separately managed mgrs) deduct fee from portfolio.</small>	<u>CS MCKEE</u>	<u>TOTAL</u>
VENDOR #						
JAN	9,372,807.82	242,295.57	9,238,500.71	7,037,168.25	15,638,042.35	41,528,814.70
FEB	9,962,923.15	249,127.39	9,745,731.68	7,468,844.28	15,512,818.11	42,939,444.61
MARCH	9,503,389.19	127,069.94	9,346,981.59	7,533,533.53	16,301,909.64	42,812,883.89
APRIL						0.00
MAY						0.00
JUNE						0.00
JULY						0.00
AUG						0.00
SEPT						0.00
OCT						0.00
NOV						0.00
DEC						0.00

ATLANTA SOSNOFF            LARGE CAP EQUITY

CS MCKEE                    FIXED INCOME

DODGE & COX                LARGE CAP EQUITY

LORD ABBETT                 SMALL MID CAP EQUITY

	<u>DODGE &amp; COX</u>	<u>ATLANTA SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>TOTAL</u>
2015					
1ST QTR					0.00
2ND QTR					0.00
3RD QTR					0.00
4TH QTR					0.00
		0.00		0.00	0.00

*Portfolio Statement*

1 FEB 15 - 28 FEB 15

Account Name BAY COUNTY VEBA CONSOLIDATED  
Account Number BOVEBA

◆ Change in Book and Market Value

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	Cost	Market value	For more information
Opening balance	35,816,421.03	41,530,953.32	
Miscellaneous Cash Receipts	553.50	553.50	See funding & disbursement summary
Sponsor Contributions	6,276.36	6,276.36	See funding & disbursement summary
Total receipts	6,829.86	6,829.86	See funding & disbursement summary
Income received	45,955.91	45,955.91	See income & expense summary, cash activity detail
Unrealized gain/loss change	0.00	1,311,748.10	See asset summary
Realized gain/loss	43,010.70	43,010.70	See realized gain/loss summary
Accrued income change	4,368.28	4,368.28	See income & expense summary
Closing balance	35,916,585.78	42,942,866.17	

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Northern Trust

Generated by Northern Trust from reviewed periodic data on 13 Mar 15

# C.S. McKee, L.P.

## Account Overview

Bay County VEBA

Client Code: 90477  
 As Of Date: 2/28/2015  
 Report: Calendar

## Asset Allocation

As of 2/28/2015

Asset Class	Value	Percentage
Large-Cap Equity	\$ -	0.00%
Small-Cap Equity	\$ -	0.00%
Fixed Income	\$ 15,250,232.07	98.30%
Intl Mutual Fund	\$ -	0.00%
Cash	\$ 264,217.78	1.70%
Other	\$ -	0.00%
<b>Total Portfolio:</b>	<b>\$ 15,514,449.85</b>	<b>100.00%</b>



## Performance

As of 2/28/2015

Portfolio Summary - Month-to-Date	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	15,637,577.53	-	-	-	-	15,637,577.53	-
Net Contributions (Distributions):	(2.06)	-	-	-	-	(2.06)	-
Income:	27,804.54	-	-	-	-	27,804.54	-
Market Appreciation (Depreciation):	(150,930.16)	-	-	-	-	(150,930.16)	-
Ending Market Value:	15,514,449.85	-	-	-	-	15,514,449.85	-
Dollar-Weighted Return:	(0.79%)	-	-	-	-	(0.79%)	-

Time-Weighted Returns	Performance Start Date:	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
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MTD	2/7/2012	(0.79%) (0.81%) (0.94%)	-	-	-	-	(0.79%) (0.81%) (0.94%)	0.15% 0.15% 0.15%
		Gross	-	-	-	-	1.35%	1.35%
		Net	-	-	-	-	1.30%	1.30%
		Benchmark	-	-	-	-	1.4%	1.4%
		Value Added (Gross)	-	-	-	-	0.21%	0.21%

QTD		1.35% 1.30% 1.4%	-	-	-	-	1.35% 1.30% 1.4%	1.35% 1.30% 1.4%
		Gross	-	-	-	-	1.35%	1.35%
		Net	-	-	-	-	1.30%	1.30%
		Benchmark	-	-	-	-	1.4%	1.4%
		Value Added (Gross)	-	-	-	-	0.21%	0.21%

YTD		1.35% 1.30% 1.4%	-	-	-	-	1.35% 1.30% 1.4%	1.35% 1.30% 1.4%
		Gross	-	-	-	-	1.35%	1.35%
		Net	-	-	-	-	1.30%	1.30%
		Benchmark	-	-	-	-	1.4%	1.4%
		Value Added (Gross)	-	-	-	-	0.21%	0.21%

1 Year		5.28% 4.96% 5.05%	-	-	-	-	5.28% 4.96% 5.05%	5.42% 5.10% 5.05%
		Gross	-	-	-	-	5.28%	5.42%
		Net	-	-	-	-	4.96%	5.10%
		Benchmark	-	-	-	-	5.05%	5.05%
		Value Added (Gross)	-	-	-	-	0.23%	0.37%

3 Year		3.09% 2.79% 2.76%	-	-	-	-	3.09% 2.79% 2.76%	3.22% 2.92% 2.76%
		Gross	-	-	-	-	3.09%	3.22%
		Net	-	-	-	-	2.79%	2.92%
		Benchmark	-	-	-	-	2.76%	2.76%
		Value Added (Gross)	-	-	-	-	0.33%	0.45%

5 Year		0.00% 0.00% 0.00%	-	-	-	-	0.00% 0.00% 0.00%	0.00% 0.00% 0.00%
		Gross	-	-	-	-	0.00%	0.00%
		Net	-	-	-	-	0.00%	0.00%
		Benchmark	-	-	-	-	0.00%	0.00%
		Value Added (Gross)	-	-	-	-	0.00%	0.00%

LTD		3.10% 2.81% 2.75%	-	-	-	-	3.10% 2.81% 2.75%	3.22% 2.93% 2.75%
		Gross	-	-	-	-	3.10%	3.22%
		Net	-	-	-	-	2.81%	2.93%
		Benchmark	-	-	-	-	2.75%	2.75%
		Value Added (Gross)	-	-	-	-	0.35%	0.47%

Benchmark History

2/7/2012  
BCAGG 100%

Total Portfolio

Large-Cap Equity

Mid-Cap Equity

Small-Cap Equity

Total Domestic Equity

2/7/2012  
BCAGG 100%

Fixed Income

Intl Mutual Fund





**CAPITAL**  
**INSTITUTIONAL**  
**SERVICES, INC.**

1601 Elm Street, Suite 3900  
 Dallas, Texas 75201

214.720.0055  
 800.247.6729

Founded 1977  
 Member NYSE, FINRA, NFA, SIPC

**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 2/28/2015

**Summary of Segregated Account Detail**

	February	YTD
Payment from Segregated Account	\$ 553.50	\$ 955.50
	<u>\$ 553.50</u>	<u>\$ 955.50</u>

**Segregated Account Detail**

Service Period	Comments/Notes	Vendor Invoice #	Date Paid	February	Prior Months	YTD	Mixed Use %
December 2014	Commission Recapture	2987968Bay Count	01/16/2015	\$ 553.50	\$ 402.00	\$ 955.50	
January 2015	Commission Recapture	2993068Bay Count	02/12/2015	\$ 553.50	\$ 402.00	\$ 955.50	
	Payment from Segregated Account Total			<u>\$ 553.50</u>	<u>\$ 402.00</u>	<u>\$ 955.50</u>	
	Grand Total			<u>\$ 553.50</u>	<u>\$ 402.00</u>	<u>\$ 955.50</u>	

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Account Executive: Jon Lantz  
 Phone: (214) 978-4778

Sales Assistant: Christilla Moreno  
 Phone: (214) 978-4743



1601 Elm Street, Suite 3900  
Dallas, Texas 75201

214.720.0055  
800.247.6729

Founded 1977  
Member NYSE, FINRA, NFA, SIPC

**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 2/28/2015

**Summary of Directed Commission by Manager**

Atalanta/Sosnoff CC	Commission		Recapture Allocation	
	February	YTD	February	YTD
Shares	19,398	\$1,513.92	\$581.69	\$1,135.19
	19,398	\$ 775.92	\$ 581.69	\$ 1,135.19

**Recapture Commission Activity**

Trade Date	Stmnt Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Ex Brkr	Price	Commission	Recapture Allocation
01/28/2015	02/02/2015	01/29/2015	S	3,000	MSFT	MICROSOFT CORP	3PF07S82	49766 BAY COUNTY	CAPIS	42.1401	120.00	90.00
01/28/2015	02/02/2015	01/29/2015	S	725	TEL	TE CONNECTIVITY LTD	3PF07S82	49766 BAY COUNTY	CAPIS	68.0814	29.00	21.75
01/28/2015	02/02/2015	01/29/2015	B	750	UNP	UNION PACIFIC CORP	3PF07S82	49766 BAY COUNTY	CAPIS	120.8072	30.00	22.50
01/28/2015	02/02/2015	01/29/2015	B	250	UNH	UNITEDHEALTH GROUP INC	3PF07S82	49766 BAY COUNTY	CAPIS	109.7429	10.00	7.50
01/30/2015	02/04/2015	01/31/2015	S	875	COF	CAPITAL ONE FINL	3PF07S82	49766 BAY COUNTY	CAPIS	73.8401	35.00	26.25
01/30/2015	02/04/2015	01/31/2015	S	1,150	MSFT	MICROSOFT CORP	3PF07S82	49766 BAY COUNTY	CAPIS	40.5801	46.00	34.50
01/30/2015	02/04/2015	01/31/2015	S	3,050	SCHW	SCHWAB CHARLES CORP NEW	3PF07S82	49766 BAY COUNTY	CAPIS	26.0538	122.00	91.50
02/02/2015	02/05/2015	02/03/2015	B	173	ACT	ACTAVIS PLC SHS	3PF07S82	49766 BAY COUNTY	CAPIS	265.3299	6.92	5.19
02/02/2015	02/05/2015	02/03/2015	B	725	COP	CONOCOPHILLIPS	3PF07S82	49766 BAY COUNTY	CAPIS	64.8199	29.00	21.75
02/04/2015	02/09/2015	02/05/2015	B	325	BA	BOEING COMPANY	3PF07S82	49766 BAY COUNTY	CAPIS	147.2499	13.00	9.75
02/06/2015	02/11/2015	02/07/2015	B	550	AXP	AMER EXPRESS COMPANY	3PF07S82	49766 BAY COUNTY	CAPIS	85.2400	22.00	16.50
02/09/2015	02/12/2015	02/10/2015	S	675	ALL	ALLSTATE CORP DEL COM	3PF07S82	49766 BAY COUNTY	CAPIS	70.0836	27.00	20.25
02/13/2015	02/19/2015	02/14/2015	B	550	BABA	ALIBABA GROUP HOLDING LT	3PF07S82	49766 BAY COUNTY	CAPIS	88.9891	22.00	16.50
02/18/2015	02/23/2015	02/19/2015	S	750	M	MACYS INC	3PF07S82	49766 BAY COUNTY	CAPIS	63.6246	30.00	22.50
02/24/2015	02/27/2015	02/25/2015	B	850	MO	ALTRIA GROUP INC	3PF07S82	49766 BAY COUNTY	CAPIS	55.7599	34.00	25.50
02/24/2015	02/27/2015	02/25/2015	B	800	BNY	BRISTOL-MYERS SQUIBB CO	3PF07S82	49766 BAY COUNTY	CAPIS	61.2199	32.00	24.00
02/24/2015	02/27/2015	02/25/2015	B	800	BNY	BRISTOL-MYERS SQUIBB CO	3PF07S82	49766 BAY COUNTY	CAPIS	669.8300	3.00	2.00
02/24/2015	02/27/2015	02/25/2015	B	75	CMG	CHIPOTLE MEXICAN GRILL	3PF07S82	49766 BAY COUNTY	CAPIS	29.6099	66.00	49.50
02/24/2015	02/27/2015	02/25/2015	B	1,650	CSCO	CISCO SYSTEMS INC COM	3PF07S82	49766 BAY COUNTY	CAPIS	78.3867	24.00	18.00
02/24/2015	02/27/2015	02/25/2015	B	600	FB	FACEBOOK INC	3PF07S82	49766 BAY COUNTY	CAPIS	61.9401	30.00	22.50
02/24/2015	02/27/2015	02/25/2015	S	750	M	MACYS INC	3PF07S82	49766 BAY COUNTY	CAPIS	78.9301	25.00	18.75
02/24/2015	02/27/2015	02/25/2015	S	625	MDT	MEDTRONIC PLC SHS	3PF07S82	49766 BAY COUNTY	CAPIS	99.6599	20.00	15.00
02/24/2015	02/27/2015	02/25/2015	B	500	PEP	PEPSICO INC	3PF07S82	49766 BAY COUNTY	CAPIS			

Account Executive: Jon Lantz  
Phone: (214) 978-4778

Sales Assistant: Christilla Moreno  
Phone: (214) 978-4743

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**CAPITAL**  
**INSTITUTIONAL**  
**SERVICES, INC.**

1601 Elm Street, Suite 3900  
 Dallas, Texas 75201

214.720.0055  
 800.247.6729

Founded 1977  
 Member NYSE, FINRA, NFA, SIPC

**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 2/28/2015

*Recapture Commission Activity*

Trade Date	Stmnt Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Ex Brkr	Price	Commission	Recapture Allocation
Total for Abalante/Sosnoff CC				19,398							\$ 775.92	\$ 581.69
Recapture Trade Total				19,398							\$ 775.92	\$ 581.69

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**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 2/28/2015

**Summary of Activity by Month**

	Commission		Recapture Allocation		Redeemed Recapture		Balance
	Month	YTD	Month	YTD	Month	YTD	
Beginning Balance							\$ 402.00
January	\$738.00	\$738.00	\$553.50	\$553.50	\$402.00	\$402.00	\$553.50
February	775.92	1,513.92	581.69	1,135.19	553.50	955.50	581.69

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**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 2/28/2015

**Explanation of Your Statement**

Total Commission is a summary of brokerage transactions by security type. The Commission Allocation is the amount applicable to Execution and Research/Recapture for both the month and the year-to-date.

The Commission Allocation for Research and Recapture is calculated on settlement date. If your statement is based on trade date detail, your Commission Allocation balance could be higher or lower depending upon account activity between month end and final settlement date.

Research Payment Detail recaps by vendor the payments made from the Commission Allocation for Research, including service period covered, any comments or notes, vendor invoice number, date paid, and the percentage allocated for mixed-use payments during the current month.

**Statement Online**

This statement may be viewed online by logging into the Concourse portal at [www.capis.com](http://www.capis.com). If you do not have a login ID or password, one can be obtained from your CAPIS Account Executive.

Payment from Segregated Account summarizes the year-to-date disbursements made based on the Commission Allocation for Recapture.

Trade Blotter shows the monthly detail of all brokerage transactions based on trade or settlement date and the corresponding Commission and Research/Recapture Allocation.

Our current financial statement is available online at [www.capis.com](http://www.capis.com). Additionally, this statement is available for your personal inspection at our offices or a copy will be mailed upon your written request.

Execution Only Trade Blotter shows the monthly detail of all brokerage transactions based on trade or settlement date.

Also available online or upon written request are our policies regarding the following programs: Customer Identification Program, Privacy Policy, Reg NMS 606 Report, SIPC Notification, Payment for Order Flow Practices, and Extended Hours Trading.

Directed Commission Reports show all trades executed for or by CAPIS at the direction of a plan sponsor. The manager's statement is a listing by each plan sponsor providing direction. The plan sponsor's statement provides a listing for each manager who has directed trades for the period.

Please advise CAPIS promptly of any inaccuracies or discrepancies in your account statement. In order to protect your rights, including those under the Securities Investors Protection Act (SIPA), all oral communications regarding discrepancies must be re-confirmed in writing to the following address:

Transition Statement will only be included if a change is made in reporting from Trade Date to Settlement Date or the reverse. This report is a summary of any transactions that fall into the transition period between the Trade Date and Settlement Date and vice versa.

Capital Institutional Services, Inc.  
 Attention: Compliance  
 1601 Elm Street, Suite 3900  
 Dallas, TX 75201

**Research Commission Allocation**

The Commission Allocation for Research is not a contractual liability of CAPIS and is not redeemable in cash. CAPIS provides third-party research and brokerage services to clients for commission generated through transactions. CAPIS reserves the right to refuse payment of any invoice.

# Bay County, Michigan

04/08/2015 09:29  
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BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

P 1  
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FOR 2015 03

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

73627401 VOL.EMPLOYEE BENEF.ASSOC.BOARD

RA FUND BALANCE, NET AS

73627401 40001 FUND BALANCE	0	0	.00	.00	.00	.00
73627401 40004 NET ASSETS - RESERV	1,343,339	1,343,339	.00	.00	.00	.00
<b>TOTAL FUND BALANCE, NET AS</b>	<b>1,343,339</b>	<b>1,343,339</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>

RJ LOCAL UNIT CONTRIBUT

73627401 59401 ER CONTR-BEHAVE,HEA	0	0	.00	.00	.00	.00
73627401 59402 ER CONTR-MOSQUITO C	0	0	.00	.00	.00	.00
73627401 59403 ER CONTR-HEALTH FUN	0	0	.00	.00	.00	.00
73627401 59404 ER CONTR-ROAD COMM	0	0	.00	.00	.00	.00
73627401 59405 ER CONTR-LIBRARY	0	0	.00	.00	.00	.00
73627401 59407 ER CONTR-GOLF COUR	0	0	.00	.00	.00	.00
73627401 59408 ER CONTR-GENERAL FU	0	0	.00	.00	.00	.00
73627401 59409 ER CONTR-DWS	-38,200	-38,200	.00	.00	.00	.00*
73627401 59410 ER CONTR-911 SERVIC	0	0	.00	.00	.00	.00
73627401 59411 ER CONTR-CHLD CARE	0	0	.00	.00	.00	.00
73627401 59412 ER CONTR-DIV ON AGI	0	0	.00	.00	.00	.00
73627401 59413 ER CONTR-RETIRES SYS	0	0	.00	.00	.00	.00
73627401 59415 ER CONTR-GYPSY MOTH	0	0	.00	.00	.00	.00
73627401 59416 ER CONTR-HOME REHAB	0	0	.00	.00	.00	.00
73627401 59418 ER CONTR-100% TAX P	0	0	.00	.00	.00	.00
73627401 59419 ER CONTR-MED CARE F	-310,000	-310,000	.00	.00	.00	.00*
73627401 59424 ER CONTR-SELF INSUR	0	0	.00	.00	.00	.00
73627401 59427 ER CONTR-COMM CORE	0	0	.00	.00	.00	.00
73627401 59429 ER CONTR-F.O.C. FUN	0	0	.00	.00	.00	.00
73627401 59430 ER CONTR-HOUSING FU	0	0	.00	.00	.00	.00
73627401 59433 ER CONTR-SOLDIER RE	0	0	.00	.00	.00	.00
73627401 59499 ER CONTR-SHERIFF DE	0	0	.00	.00	.00	.00
<b>TOTAL LOCAL UNIT CONTRIBUT</b>	<b>-348,200</b>	<b>-348,200</b>	<b>3,720.09</b>	<b>3,720.09</b>	<b>.00</b>	<b>-1.1%</b>
<b>RP INTEREST &amp; RENTALS</b>	<b>-500,000</b>	<b>-500,000</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.0%*</b>
73627401 66400 INVESTMENT INTEREST	-500,000	-500,000	.00	.00	.00	.0%*

# Bay County Michigan

04/08/2015 09:29 BAY COUNTY, MI  
 RMasters YEAR-TO-DATE BUDGET REPORT

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FOR 2015 03

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 66500 GAIN ON SALE OF INV	-1,100,000	-1,100,000	.00	.00	.00	-1,100,000.00	.0%*
73627401 66501 UNREALIZED GAIN ON	0	0	.00	.00	.00	.00	.0%
TOTAL INTEREST & RENTALS	-1,600,000	-1,600,000	.00	.00	.00	-1,600,000.00	.0%
RR OTHER REVENUE							
73627401 67104 MISCELLANEOUS REVENUE	0	0	.00	.00	.00	.00	.0%
73627401 69000 COMMISSION RECAPTUR	0	0	.00	.00	.00	.00	.0%
TOTAL OTHER REVENUE	0	0	.00	.00	.00	.00	.0%
XE WAGES & SALARIES							
73627401 71000 PER DIEM	360	360	.00	.00	.00	360.00	.0%
TOTAL WAGES & SALARIES	360	360	.00	.00	.00	360.00	.0%
XI SUPPLIES							
73627401 72700 OFFICE SUPPLIES	100	100	.00	.00	.00	100.00	.0%
73627401 72800 PRINTING AND BINDING	150	150	.00	.00	.00	150.00	.0%
73627401 72900 POSTAGE	100	100	2.40	2.40	.00	97.60	2.4%
73627401 75100 COMPUTER SUPPLIES	50	50	.00	.00	.00	50.00	.0%
TOTAL SUPPLIES	400	400	2.40	2.40	.00	397.60	.6%
XL OTHER SERVICES AND C							
73627401 80100 PROFESSIONAL SERVICE	100,000	100,000	.00	.00	.00	100,000.00	.0%
73627401 80101 ACTUARIAL SERVICES	37,000	37,000	.00	.00	.00	-2,300.00	106.2%*
73627401 81400 INVESTMENT/BANK SER	30,000	30,000	.00	.00	.00	30,000.00	.0%
73627401 81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73627401 81900 CONSULTANTS	30,000	30,000	3,625.00	.00	.00	26,375.00	12.1%
73627401 86600 LOCAL TRAVEL MILEAGE	0	0	.00	.00	.00	.00	.0%
73627401 94601 EQUIPMENT RENTAL-CO	55	55	.00	.00	.00	55.00	.0%

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# Bay County Michigan

04/08/2015 09:29  
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BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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FOR 2015 03

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 95600	6,045	6,045	1,007.66		.00	5,038.34	16.7%
73627401 96200	391,000	391,000	.00		.00	391,000.00	.0%
73627401 96201	0	0	.00		.00	.00	.0%
73627401 96500	2,500	2,500	.00		.00	2,500.00	.0%
TOTAL OTHER SERVICES AND C	604,101	604,101	43,932.66	39,300.00	.00	560,168.34	7.3%
TOTAL VOL. EMPLOYEE BENEF. ASSOC. BO	0	0	47,655.15	43,022.49	.00	-47,655.15	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH CARE	0	0	47,655.15	43,022.49	.00	-47,655.15	100.0%
TOTAL REVENUES	-604,861	-604,861	3,720.09	3,720.09	.00	-608,581.09	
TOTAL EXPENSES	604,861	604,861	43,935.06	39,302.40	.00	560,925.94	
GRAND TOTAL	0	0	47,655.15	43,022.49	.00	-47,655.15	100.0%

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

# Bay County Michigan

04/08/2015 09:29  
RMarsters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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REPORT OPTIONS

Sequence	Field #	Total	Page Break
1	1	Y	N
2	9	Y	N
3	10	Y	N
4	0	N	N

Report title:  
YEAR-TO-DATE BUDGET REPORT

Year/Period: 2015/ 3  
 Print revenue as credit: Y  
 Print totals only: N  
 Suppress zero bal acct: N  
 Print full GL account: N  
 Double space: N  
 Roll projects to object: N

Print Full or Short description: F  
 Print MTD Version: Y  
 Print Revenues-Version headings: N  
 Format type: 1  
 Print revenue budgets as zero: N  
 Include Fund Balance: N  
 Include requisition amount: N  
 Multiyear view: D

Carry forward code: 1  
 Print journal detail: N  
 From Yr/Per: 2014/ 7  
 To Yr/Per: 2014/ 7  
 Include budget entries: Y  
 Incl encumb/liq entries: Y  
 Sort by JE # or PO #: J  
 Detail format option: 1

Find Criteria  
 Field Name      Field Value

73627401

Org  
 Object  
 Project  
 Rollup code  
 Account type  
 Account status

VEBA Invoices Approved: March

Invoice Date	Vendor	Amount
3/11/2015	GRS	\$ 39,300.00

Description

Preparation and presentation of 2013 VEBA actuarial valuation