

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, MAY 13, 2014 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 9	A.	APRIL 8, 2014 REGULAR MEETING
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
	A.	THE BOGDAHN GROUP
	1.	HOWARD POHL - 1 ST QUARTER REPORT
10 - 13	B.	PORTFOLIO VALUE - 1/1/14 - 05/02/2014
	C.	MONEY MANAGERS ON WATCH - (EFFECTIVE DATE)
	1.	BARINGS - (6/6/13) NO REPORT
	D.	MONEY MANAGER REPORTS
14 - 32	1.	CORNERSTONE - ENDING 03/31/2014
	2.	EAGLE ASSET MGMT - ENDING 02/28/2014
	3.	GENEVA - ENDING 03/31/2014
	4.	LOOMIS & SAYLES - ENDING 03/31/2014
	5.	MFS INVESTMENT - ENDING 3/31/14 & 4/30/14
	6.	MACKAY SHIELDS - ENDING 03/31/2014
	7.	SCHROEDER - ENDING 03/31/2014
	E.	RECAPTURE SERVICES
33 - 34	1.	CONVERGEX - SUMMARY ENDING 03/21/2014
	F.	NORTHERN TRUST
35 - 44	1.	SUMMARY EARNINGS - ENDING 03/31/2014
	2.	SUMMARY EARNINGS - ENDING 04/30/2014
45	G.	REFUNDS/RETIREMENTS ENDING 04/30/2014
	H.	NON DUTY DISABILITY RETIREMENT
46	1.	BRIAN DAVIDSON - GEN GROUP CFO
47 - 51	I.	BCERS YTD BUDGET REPORT - ENDING 05/07/2014

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, MAY 13, 2014 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

- J. THOMAS MICHAUD - ATTORNEY
 - 1. TRUSTEE EDUCATION
 - 2. RECENT LEGAL ISSUES & DECISIONS
- 52 - 57
- K. 800 HOURS PART-TIME EMPLOYEES
 - 1. AMBER DAVIS-JOHNSON, CORP COUNSEL
- L. THE BOGDAHN GROUP
 - 1. RECOMMENDATIONS REGARDING POTENTIAL CHANGES TO THE INVESTMENT POLICY
- M. CORRESPONDENCE - INTEGRITY
- 58
- 1. ACQUISITION BY VICTORY CAPITAL
- VI. ANNOUNCEMENTS
 - A. NEXT REGULAR MEETING - JUNE 10, 2014 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH FLOOR, BAY CITY, MI 48708
- VII. UNFINISHED BUSINESS
- VIII. NEW BUSINESS
 - A. DIRECT DEPOSIT OPTIONS FOR ALL RETIREES
- IX. MISCELLANEOUS BUSINESS
- X. ADJOURNMENT

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

A meeting of the Board of Trustees was held on April 8, 2014 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

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

Trustees Absent: Mr. Gromaski.

Also Present:

Consultant: The Bogdahn Group: Peter Brown and Howard Pohl
Finance Officer: Crystal Hebert
Retirement Administrator: Janie Tacey
Attorney: Thomas Michaud from VanOverbeke, Michaud, & Timmony, P.C.
Corporation Counsel: Amber Johnson
Personnel Director: Tim Quinn
Members from the public: Yes

The meeting was called to order by Chairman, Steve Gray at 1:31 p.m.

1. Moved, supported and carried to excuse Trustee Gromaski.
2. Moved, supported and carried to approve the minutes, as printed, from the March 11, 2014 meeting.

Mr. Gray called for public input, there is none and he moved on to petitions and communications.

3. Moved, supported and carried to receive the portfolio value from January 1, 2014 to March 30, 2014. The value today is \$294.5 million.
4. Moved, supported and carried to receive portfolio performance reports from Cornerstone, Eagle Asset, Geneva, Hotchkis & Wiley, Loomis Sayles, MFS Investment, MacKay Shields, and Schroeder all ending February 28, 2014.
5. Moved, supported and carried to receive the report from ConvergeEx ending February 28, 2014.

Northern Trust's summary ending 3/31/14 was a preliminary report. The Board will wait until next month for the final report.

6. Moved, supported and carried to receive Refunds/Retirements for the month ending March 31, 2014.
7. Moved, supported and carried to receive BCERS Year-To-Date Budget report ending March 31, 2014.

Discussion: Trustee had a question regarding \$1,200 for hardware/software repair. Crystal Hebert confirms this is the support for the actuary software. Trustee questioned why this is not reflected in the budget and if it is a yearly expenditure. This will be looked at in the next budget.

8. Moved, supported and carried to receive correspondence from ConvergeX on their regulatory investigations.

ANNOUNCEMENTS:

- A. There is a special meeting on April 24, 2014 at 8:30 a.m. There will be three money managers giving their portfolio performance presentations.
- B. Next regularly scheduled meeting will be Tuesday, May 13, 2014 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

- A. Legal agreement with VanOverbeke, Michaud, & Timmony, P.C.

The Trustees discussed the legal agreement and questioned how often Mr. Thomas Michaud will attend Board meetings. Chairman Gray states Mr. Michaud will attend two more meetings and then attend only on a quarterly basis unless there is a legal issue where he would be needed. Fees were discussed including hourly fee of \$180 and one-way travel fee. No other incidental fees such as secretarial fees, copy fees etc., per Mr Michaud. There was some discussion about Mr. Michaud attending as needed. Mr. Michaud stated that he does work for some pension boards on an as-needed basis.

9. Moved, supported and carried to approve the Legal Representation Agreement to have the firm of VanOverbeke, Michaud, & Timmony, P.C. represent the Board of Trustees of the Bay County Employees' Retirement System.
- B. International Equity Manager Search.

Chairman Gray introduces Jeff Black's replacement, Mr. Peter Brown. Mr. Brown gives some background of his experience including specializing in real estate investing and pension funds. He currently represents clients in Michigan including Wayne County and electricians in Marquette.

Mr. Pohl provided the trustees with a summary of five money managers. The summary provided a firm description, strategy description, and portfolio characteristics. The five money managers being considered are American Century Investments, Artisan Partners LP, MFS Investment Management, OFI Global Asset Management, and Thornburg Investment Management.

They all have a growth investment philosophy as does Barings. Each of these firms would be a replacement candidate for those assets. Mr. Pohl explained

the three types of management fees which are separate account, a pooled/commingled fund or a mutual fund. He suggests a co-mingled or mutual fund approach be taken as it will cut down on custody fees. In general there are not huge differences in the commingled fees between the five companies. These fees are not negotiable. Mr. Pohl states that fees should not be a significant determinant of the selection process.

American Century: Their overall approach is what is called a bottom up process. They look at individual stocks and make selection determinations by their investment committees and portfolio managers based upon the fundamental characteristics of these different securities. They are not taking a top down view, which is okay. American Century focuses primarily on larger capitalization companies exhibiting at improving fundamentals and accelerating growth characteristics with very limited exposure to emerging markets. They have a maximum of 15% in emerging markets but at the present time only have about 8%. They have 124 stocks in their typical portfolio so are very broadly diversified. They have about 108% annual long term turnover so relatively high turnover in their portfolios. They are not typically going to be involved in these companies for a long period of time. They have no particular set limits on the amount that they can have in an industry or a sector.

Artisan Partners LP: They focus on themes. They will take a particular theme and apply it to the world economy. It may be on aging, growth of technology, or some other theme. They will look for companies that will fit that theme on an ongoing basis. They are looking for companies whose P/E's have not yet caught up with what they perceive to be the future earnings growth rates of the companies. They have 70-100 stocks contrasting that to American Century 124. They have a business side of the organization as well as an investment side. The investment people are not actively involved in running the business. This puts more of a focus on marketing and growing the business than many other firms. They have closed down products occasionally but still are very much focused on growth. They have limits on the amount they will put into various categories. They have 30% for a country, 25% for an industry and 5% for any individual stock. They are only at 12% today so not all that different than the 8% that American Century has, but much more possibility of going heavier into emerging markets.

MFS (Mass Financial): They have a variety of products all across fixed income, equities, domestic, and international. They are very oriented towards higher quality companies. This has helped them in downside markets. They are very focused on buying at the right time and at under valued prices. They have a much lower turnover at 33%. They have similar limits to commitments to countries, industries and individual stocks to that of Artisan, roughly 25% type limits in most cases and 5% for any individual stock. MFS has 13% in emerging markets.

OFI (formerly known as Oppenheimer Funds Inc.): They look for funds that fit a word they use MANTRA which stands for mass affluence, new technology, restructuring and aging. Those themes are pervasive in their selection process of individual stocks. They have about 112 stocks in their portfolios. They have very low turnover only 10%. This is off the charts on the downside from a turnover standpoint. They are very long-term investors holding most of these

stocks for extremely long time periods. They will not change their themes as quickly as the theme changes likely happening at Artisan. They want companies that have very visible sustainable earnings growth going out 3-5 years.

Thornburg: Their strategy is one which utilizes a great deal of Small to Mid Cap companies. About 70% of their portfolio is in that category. They have about 76% turnover. They are the most concentrated. They have 30-55 stocks. On the surface, we would say that would generally be thought of as the most risky because they have fewer companies. Their themes and their approach use a great deal of technology in that they are looking at upside and downside expectations. From a statistical standpoint, they have actually protected on the downside a little bit better than some of the others.

Mr. Pohl discussed the cumulative performance for the last 6 years as well as the risk/return, volatility, and standard deviation. On the entire 6-year time period, or either of the 2-3 year time periods, Artisan had the highest standard deviation and Thornburg, Oppenheimer and MFS typically had the lower with varying degrees of out performance of the index.

Mr. Brown discussed country/region allocation outlined on page 3. He states that given the size of our portfolio we have the capacity and ability to invest in multiple sectors within various markets so we have Growth, Value, Large Cap and Small Cap. We can do the same with international. Trustees had questions about how Barings compares to these companies, the impact of Russia on the international markets and high frequency trading. There was discussion about investment opportunities in Latin America, Asia and Japan.

Chairman Gray asked for a vote and the Trustees voted to bring in American Century, Artisan and OFI for an interview. Trustee Coonan stated he would like all the companies tracked to see how well the Board picked.

Mr. Pohl states that Mary Nye and Peter Brown will be attending the meeting scheduled for April 24th as he has a conflict on that date. Mary is now focusing totally on consulting. Mr. Pohl would like the Board to allocate about 40-minutes to each manager, allowing 30 minutes for the presentation and 10 minutes of Q&A. Chairman Gray asks Mr. Pohl to select some dates for the interviews and the Board can decide which date is suitable when they meet on April 24th. The Board would prefer to do the interviews on a separate day from the regular meeting date.

Chairman Gray states Trustee Education will wait until next month as there are two more items to discuss today.

Mr. Quinn introduces the new Corporate Counsel, Amber Johnson. There was some discussion about which attorney would handle specific items. Ms. Johnson states that as Corporate Counsel she could handle the majority of the work on a day-to-day basis. If there was something that required very particular knowledge with regards to finance it would be referred to Mr. Michaud at VanOverbeke, Michaud and Timmony, P.C.

NEW BUSINESS:

- A. Discussion on Ordinance Language in Reference to Part-time Positions of 800 hours or more.

There are a couple of part-time employees in the general group who have asked for calculations for retirement. These requests came in during the transition period between Danean Wright leaving and Janie Tacey being hired. Both of these employees have worked for the County in the general group for 10 years; however, only 2 out of the 10 years met the minimum 800-hour requirement to count toward service credit. It would seem these two individuals are not vested and do not have a retirement benefit.

Mr. Quinn comments the language is ambiguous and can be interpreted differently. It says it is at the discretion of the Board but we would be hard pressed to make a call one way or the other and not have it open to criticism by somebody. Ms. Johnson comments she does not have a record at this point other than just working on the language to avoid problems in the future. The wording used is "regularly scheduled" and that is not defined in the Retirement Ordinance. She does not think it necessarily leans either way.

Chairman Gray stated that he called Ms. Wright after he learned of this and asked her how this was this handled in the past. Ms. Wright said if an employee had 10 years of service and 9 of those years had 800 hours and one year was at least close she would put it through. She said anything less than that she would not have processed it. There was discussion as to how many other employees may be affected, possible solutions on how to calculate service credit, the potential for lawsuits and what the cost of a lawsuit may be versus the cost of a retirement benefit, and setting up a system to track specific hours per month. Chairman Gray explained how they track hours at the Road Commission and how time cards can be reviewed for each person.

There was discussion about the language stating 800 "regularly scheduled" hours even if there is no work to be done. There really is not a good solution to this one. Mr. Michaud states in terms of concept the ordinance would need to be followed and if there is a gray area the Board has discretion and it should support past practice. Ideally the Board would have specifics provided to the trustees in terms of how many employees, and how many hours they actually worked. Whether it is 800 hours in a calendar year or fiscal year or month or 4 quarters. Those kinds of questions are always issues in terms of how you track it, but you want to make sure you have the information you need to make a decision. The Board cannot change the language. You need to follow the ordinance as much as possible and stick with the letter of the ordinance. There was discussion on needing more information and working on proposed language to fix this. According to Ms. Wright this will come up again with employees from the Juvenile Home. We need to get it right due to potential

lawsuits as mentioned earlier.

There was discussion about how we would process a retirement if we accept this employee as qualified for a pension. Would the administration make the appropriate monetary contribution to the pension fund because none were made for the last 10 years for this part-time individual? Would this be viewed as a buy-in like someone that buys military service credit? Ms. Hebert explains that contributions are made after a part-time employee has been employed for a year. If hired under the 800 hours provision then contributions are taken as it is anticipated they will make the 800. The Fund has actually benefitted from the standpoint of those people who did not meet the 800 hour criteria.

Chairman Gray requests that Mr. Michaud and Ms. Johnson gather information and make a recommendation to the Board at the next meeting and asks if a motion is needed to turn it over to the attorneys. Ms. Johnson comments that a motion is not needed to ask Corporation Counsel to review the matter. The Board requested that Corporation Counsel review this matter and report back to the Board.

B. Janie Tacey - Conference Education.

Janie Tacey would like to go to several seminars between now and October regarding governmental accounting. Total cost is \$270 for 3 days. There was some discussion regarding the venue, expenses, and mileage.

10. Moved, supported and carried to approve conference education for Janie Tacey.

C. Contracts for ConvergeX replacement.

Mr. Michaud discussed the contracts and finalization of the agreements with Abel/Noser and Capis the firms replacing ConvergeX. Significant changes were made to the agreement in terms of making sure the Board was protected regarding liability, insurance, and indemnifying the Board, if there is an issue with Michigan Law which is in the Board's favor. He also discussed Reporting Requirements. The agreements are now ready to be signed by Mr. Michaud's recommendation and once they are executed they can be sent back to the parties for their signatures. Letters will also need to go out to all the money managers advising them of the new brokerage relationships.

11. Moved, supported and carried to accept the legal agreements with Abel/Noser and Capis, to sign the agreements and once they have been executed to send a letter releasing ConvergeX.

Chairman Gray turned the meeting over to Tom Michaud for discussion of mandated policies. Mr. Michaud states the Board should have received a fiduciary responsibility packet as an overview. The Board did not receive this prior to the meeting. Janie Tacey will put these together and send them out to the

Board. Mr. Michaud states the Board will be receiving a packet with an overview of the game plan focusing on page 4 and highlighting a number of planned policies. There was discussion regarding different policies and which ones need updating. Investment policies should be reviewed once a year to be sure everyone is familiar with it and to consider any updates.

First priority would be the Investment Guidelines. The Code of Conduct and Ethics Policy are a new legal requirement and should be in put in to place. This Board should understand their policies, follow them, and be comfortable with them. They are a work in progress and should be reviewed and details worked out as needed. A policy on record retention is a legal requirement and we should have something in writing along with a policy on the Freedom of Information Act. Other policies such as Disability Retirements and Service Retirements are more administrative.

The Investment Guidelines and Code of Conduct should be addressed in the short term unless there is another issue the Board would like to raise to the top. This Board currently has no Code of Conduct policy in place. Travel and Education policies are done. Mr. Michaud states our Investment Policy is adequate. Mr. Michaud states it has not been looked at for a couple of years and it would be prudent to re-adopt it with all the legal changes that took place last year.

Chairman Gray asks if there is a boilerplate on the Code of Conduct. Mr. Michaud will work on a Code of Conduct policy that he could introduce next month. Amber Johnson asks about updating the Investment Policy and addressing all of these areas at the same time rather than doing them piece meal. Chairman Gray responds the Code of Conduct is separate from the Investment Policy. Mr. Michaud explains this would be a stand alone policy separate from the investment guidelines. Ideally, it would be established and not have to be changed. Investment consultants and managers may want to fine tune along the way. Mr. Michaud suggests the policy be reviewed every year not necessarily to change anything, but just a review.

Mr. Pohl gave an example of Loomis Sayles buying investments in pipelines. Bay County's current policy does not permit this. Loomis had actually bought some for Bay County until it was discovered it could not be bought under the policy and they distributed it to other accounts. There are more and more types of bonds always being added and you will always have to be updating to include the latest and greatest of what is being offered. Loomis Sayles was asking for approval to change the policy and Bogdahn thinks it is a reasonable request. Chairman Gray states that if Bogdahn thinks it is a prudent change then the Board would be comfortable making that change. However, if any other changes need to be made, they would like to make them all at the same time. Mr. Pohl is not aware of any other changes at this time.

12. Moved, supported and carried to tentatively approve changes to the Investment Policy as recommended by Bogdahn.

Discussion: Trustee reiterated that Bogdahn is to prepare the recommendations

and present to the Board next month for final approval.

Amber Johnson asks to go back to New Business, Item A where she stated she didn't believe the Board needed a motion to refer the issue of 800 hours to legal counsel. She states we do need a motion to refer it to Corporation Counsel.

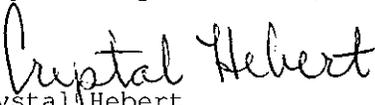
13. Moved, supported and carried to have Corporation Counsel review the ordinance language regarding the 800 hours.

MISCELLANEOUS BUSINESS None

ADJOURNMENT:

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

Respectfully submitted,


Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
APRIL 8, 2014

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 1:31 P.M.

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

TRUSTEE	11	12	13	14	15	16	17	18	19	20
BRZEZINSKI	S-Y	S-Y	Y	Y						
COONAN	Y	M-Y	S-Y	Y						
GRAY	Y	Y	Y	Y						
GROMASKI	E	E	E	E						
HEREK	Y	Y	Y	Y						
MORSE	Y	Y	Y	M-Y						
PETT	M-Y	Y	M-Y	S-Y						
STARKWEATHER	Y	Y	Y	Y						
ZIELINSKI	Y	Y	Y	Y						

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

Manager Mix Reports

FAMILY CODE FAM8765

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◆ Manager Mix - Pension

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total market value/ % of consolidation
*BAYCO - COLUMBIA MANAGEMENT 2608694	0.00 0.00%	939,934.92 2.10%	44,104,170.10 98.58%	0.00 0.00%	0.00 0.00%	-306,786.21 -0.69%	44,737,318.81 15.06%
*BAYCO - BAIRD -SL 2618668	0.00 0.00%	645,640.61 2.62%	0.00 0.00%	24,275,330.56 98.32%	0.00 0.00%	-231,644.45 -0.94%	24,689,326.74 8.31%
*BAYCO - SCHROEDERS -SL 2618669	0.00 0.00%	217.18 0.00%	19,152,719.57 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	19,152,936.75 6.45%
*BAYCO - MACKAY SHIELDS -SL 2622490	0.00 0.00%	4,173,056.01 23.25%	2,231,285.25 12.43%	11,545,283.61 64.32%	0.00 0.00%	0.00 0.00%	17,949,624.87 6.04%
*BAYCO - HOTCHKIS & WILEY -SL 2622536	0.00 0.00%	524,842.85 4.40%	11,403,917.30 95.57%	0.00 0.00%	0.00 0.00%	3,156.93 0.03%	11,931,916.08 4.02%
*BAYCO - WENTWORTH -SL 2624493	0.00 0.00%	1,556.12 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	1,556.12 0.00%
*BAYCO - CASH -SL 2639953	0.00 0.00%	624,999.71 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	624,999.71 0.21%
*BAYCO - DENVER INV ADV -SL 2639956	0.00 0.00%	15,638.46 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	15,638.46 0.01%
*BAYCO - LOOMIS SAYLES -SL 2641401	0.00 0.00%	819,800.54 2.36%	0.00 0.00%	33,900,267.06 97.59%	0.00 0.00%	16,209.45 0.05%	34,736,277.05 11.70%
*BAYCO GENEVA CAPITAL MGMT -SL 2649057	0.00 0.00%	363,699.69 1.65%	21,696,176.86 98.35%	0.00 0.00%	0.00 0.00%	0.00 0.00%	22,059,876.55 7.43%
*BAYCO - VANGUARD LG CAP CO-SL 2649840	0.00 0.00%	0.00 0.00%	13,624,182.69 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	13,624,182.69 4.59%
*BAYCO - INTEGRITY -SL 2653308	0.00 0.00%	481,230.41 1.65%	25,746,611.53 98.90%	0.00 0.00%	0.00 0.00%	-195,385.97 -0.75%	26,032,455.97 8.77%
*BAYCO - CORNERSTONE REALES-SL 2663296	0.00 0.00%	201,338.06 1.67%	11,638,124.78 98.49%	0.00 0.00%	0.00 0.00%	-19,254.06 -0.16%	12,021,208.78 4.05%
*BAYCO - MFS INVESTMENTS -SL 2683854	0.00 0.00%	1,039,958.04 2.44%	41,647,497.52 97.74%	0.00 0.00%	0.00 0.00%	-76,806.55 -0.18%	42,610,649.01 14.35%
*BAYCO - EAGLE ASSET -SL 2685063	0.00 0.00%	92,555.91 0.88%	10,465,299.54 99.21%	0.00 0.00%	0.00 0.00%	-9,325.58 -0.09%	10,548,529.87 3.55%

Manager Mix Reports

01 May 14

Account number 8765

FAMILY CODE FAM8765

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◆ Manager Mix - Pension

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total market value/ % of consolidation
BAYCO- BARINGS BYC03	353,903.70 2.18%	0.00 0.00%	15,862,463.08 97.47%	0.00 0.00%	20,745.94 0.13%	37,467.90 0.23%	16,264,570.62 5.46%
Total for consolidation	353,903.70	9,924,468.51	217,763,438.22	69,720,881.25	20,745.94	-782,369.54	297,001,068.08
% for consolidation	0.12%	3.34%	73.32%	23.47%	0.01%	-0.26%	100.00%

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Northern Trust

*Generated by Northern Trust from daily data on 2 May 14

2014	BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE (RJFN)	GENEVA	HOTCHKIS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MFS	INTEGRITY	SCHRODER	COLUMBIA	VAN GUARD	WENTWORTH	CASH	TOTAL
VENDOR #	63541	1539	44	20024	2000	429	526Z	301Z	348Z	4023	04100	503Z	44907	98141			
JAN	24,463,170.06	15,810,418.52	10,882,785.36	15,636.55	10,845,477.76	23,655,580.81	11,093,069.78	33,704,722.73	17,312,317.81	42,185,860.33	25,341,799.15	17,897,691.90	42,025,846.40	12,827,293.37	1,556.12	2,315,529.80	290,378,576.53
FEB	24,551,115.13	16,435,350.37	11,477,164.97	15,637.07	11,334,968.12	23,128,136.82	11,626,222.96	34,155,815.39	17,896,798.78	44,594,775.30	25,791,007.32	19,007,323.01	43,808,067.15	13,413,634.59	1,556.12	4,108,385.47	301,343,958.57
MARCH	24,451,455.29	16,112,044.63	11,576,093.43	15,637.73	10,990,878.81	22,732,376.59	11,860,593.12	34,155,505.52	17,889,095.57	43,121,006.00	26,219,742.92	19,196,246.07	44,725,223.10	13,525,599.60	1,556.12	2,878,706.83	299,471,581.63
APRIL	24,689,326.74	16,264,570.62	12,021,208.78	15,638.46	10,548,529.87	22,059,876.55	11,931,916.08	34,736,277.05	17,949,824.87	42,610,649.01	26,032,455.07	19,152,936.75	44,737,318.81	13,624,182.69	1,556.12	624,999.71	297,001,068.08
MAY																	0.00
JUNE																	0.00
JULY																	0.00
AUG																	0.00
SEPT																	0.00
OCT																	0.00
NOV																	0.00
DEC																	0.00
2014																	
1ST QTR	16,338.59		17,364.14		23,354.79	43,446.00	28,833.33	26,350.69	21,873.73	64,004.36	52,095.00	36,475.38	54,677.10				386,613.11
2ND QTR																	0.00
3RD QTR																	0.00
4TH QTR																	0.00
2014 YTD	16,338.59	0.00	17,364.14	0.00	23,354.79	43,446.00	28,833.33	26,350.69	21,873.73	64,004.36	52,095.00	36,475.38	54,677.10		0.00	0.00	386,613.11

INVESTMENT MANAGER FEES ARE PAID FROM: 73127400 80100 (Professional Services)

BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE	GENEVA	HOTCHKIS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MFS	INTEGRITY	SCHRODER	COLUMBIA	VAN GUARD	WENTWORTH	CASH	TOTAL
BAIRD																
BARING																
COLUMBIA																
CORNERSTONE REAL ESTATE																
EAGLE																
GENEVA																
HOTCHKIS & WILEY																
INTEGRITY																
LOOMIS SAYLES																
MACKAY SHIELDS																
MFS																
SCHRODER																
WENTWORTH																

INVESTMENT MANAGER FEE SCHEDULES

BAIRO	.30% - FIRST \$25 MILLION .25% - NEXT \$25 MILLION .20% - NEXT 50 MILLION .15% - THEREAFTER
BARING	.95% - ON ASSETS UNDER MANAGEMENT
COLUMBIA	.50% - FIRST \$40 MILLION .40% - NEXT \$60 MILLION
CORNERSTONE	.60% - OF THE FAIR MARKET VALUE OF ASSETS
EAGLE	.85% - ON ASSETS UNDER MANAGEMENT
GENEVA	.75% - ON ASSETS UNDER MANAGEMENT
HOTCHKIS & WILEY	1.00% - ON ASSETS UNDER MANAGEMENT
INTEGRITY	.85% - FIRST \$15 MILLION .75% - NEXT \$25 MILLION
LOOMIS SAYLES	.35% - FIRST \$20 MILLION .25% - NEXT \$80 MILLION .20% - OVER \$100 MILLION
MACKAY SHIELDS	.50% - UP TO \$100 MILLION .40% - ABOVE \$100 MILLION
MFS	.60% - ON FIRST \$50 MILLION
SCHRODER	.75% - UP TO \$10 MILLION .50% - UP TO \$100 MILLION
WENTWORTH	.80% - FIRST \$2 MILLION .60% - NEXT \$8 MILLION .50% - NEXT \$10 MILLION .40% - NEXT \$10 MILLION .30% - OVER \$30 MILLION



CORNERSTONE

Bay County Employees' Retirement System

March 31, 2014

Symbol	Description	Property Type	Shares	Cost	Cost Per Share	Closing Price 3/31/2014	Percentage of Portfolio	Market Value 3/31/2014	Dividend Yield
ACC	American Campus Communities In	Apartment	11,500	416,249	\$36.20	37.35	3.71%	\$429,525	3.9%
AIV	Apartment Investment & Managem	Apartment	7,390	221,851	\$30.02	30.22	1.93%	\$223,326	3.2%
EDR	Education Realty Trust Inc	Apartment	27,040	258,457	\$9.56	9.87	2.31%	\$266,886	4.4%
EOR	Equity Residential	Apartment	6,920	368,901	\$53.31	57.99	3.47%	\$401,291	3.4%
ESS	Essex Property Trust Inc	Apartment	1,770	296,502	\$167.52	170.05	2.60%	\$300,969	2.8%
LXP	Lexington Realty Trust	Diversified	14,710	168,173	\$11.43	10.91	1.39%	\$160,486	5.8%
VNO	Vornado Realty Trust	Diversified	3,854	270,611	\$70.22	98.56	3.28%	\$379,850	3.0%
DOC	Physicians Realty Trust	Healthcare	4,450	51,225	\$11.51	13.92	0.54%	\$61,944	2.9%
HCP	HCP Inc	Healthcare	4,030	156,580	\$38.85	38.79	1.35%	\$156,324	5.5%
HON	Health Care REIT Inc	Healthcare	4,990	282,566	\$56.63	59.60	2.57%	\$297,404	5.2%
NHI	National Health Investors Inc	Healthcare	1,517	87,426	\$57.63	60.46	0.78%	\$91,718	4.9%
OHI	Omega Healthcare Investors Inc	Healthcare	2,390	84,257	\$35.25	33.52	0.69%	\$80,113	5.7%
SBRA	Sabra Health Care REIT Inc	Healthcare	4,300	122,189	\$28.42	27.89	1.04%	\$119,927	4.9%
VTR	Ventas Inc	Healthcare	2,647	141,125	\$53.32	60.57	1.38%	\$160,329	4.6%
CSU	Capital Senior Living Corp	Healthcare/Not Indexed	5,940	140,668	\$23.68	25.99	1.33%	\$154,381	0.0%
AHT	Ashford Hospitality Trust Inc	Hotels	6,350	80,706	\$12.71	11.27	0.62%	\$71,565	4.3%
CHSP	Chesapeake Lodging Trust	Hotels	10,980	194,705	\$21.49	25.73	2.01%	\$233,114	4.1%
DRH	DiamondRock Hospitality Co	Hotels	12,347	127,347	\$11.60	11.75	1.11%	\$129,015	3.0%
FCH	FelCor Lodging Trust Inc	Hotels	19,200	131,777	\$6.86	9.04	1.50%	\$173,588	0.0%
HT	Hersha Hospitality Trust	Hotels	18,950	107,653	\$5.68	5.83	0.95%	\$110,479	4.1%
HST	Host Hotels & Resorts Inc	Hotels	19,525	328,007	\$16.80	20.24	3.41%	\$395,185	2.5%
LHO	LaSalle Hotel Properties	Hotels	5,040	134,104	\$26.62	31.31	1.36%	\$157,802	3.3%
FR	First Industrial Realty Trust	Industrial	9,481	155,948	\$16.45	19.32	1.58%	\$183,173	1.8%
PLD	Prologis Inc	Industrial	18,210	687,325	\$37.74	40.93	6.42%	\$743,514	2.9%
STAG	STAG Industrial Inc	Industrial	7,285	160,253	\$22.00	24.10	1.52%	\$175,569	5.1%
ARE	Alexandria Real Estate Equitie	Office	2,200	145,014	\$65.92	72.56	1.38%	\$159,632	3.7%
BXP	Boston Properties Inc	Office	3,470	286,384	\$82.53	114.53	3.49%	\$397,419	4.2%
BDN	Brandywine Realty Trust	Office	5,590	80,936	\$14.48	14.46	0.70%	\$80,831	4.1%
CUZ	Cousins Properties Inc	Office	12,790	133,600	\$10.45	11.47	1.27%	\$146,701	1.8%
DEI	Douglas Emmett Inc	Office	10,607	234,033	\$22.06	27.14	2.49%	\$287,874	2.8%
HIW	Highwoods Properties Inc	Office	9,690	349,816	\$36.10	38.41	3.22%	\$372,183	4.4%
HPP	Hudson Pacific Properties Inc	Office	3,580	81,567	\$22.78	23.07	0.71%	\$82,591	2.2%
KRC	Kilroy Realty Corp	Office	4,092	207,791	\$50.78	58.58	2.07%	\$239,709	2.4%
PKY	Parkway Properties Inc/Mid	Office	4,460	81,259	\$18.22	18.25	0.70%	\$81,395	3.7%
GGP	General Growth Properties Inc	Regional Mall	22,681	472,827	\$20.85	22.00	4.31%	\$488,982	2.3%
GRT	Glimcher Realty Trust	Regional Mall	14,220	140,593	\$9.89	10.03	1.23%	\$142,627	4.0%
SPG	Simon Property Group Inc	Regional Mall	8,198	821,129	\$100.16	164.00	11.61%	\$1,344,472	2.9%
CUBE	CubeSmart	Self-Storage	16,440	265,650	\$16.16	17.16	2.44%	\$282,110	2.8%
EXR	Extra Space Storage Inc	Self-Storage	9,911	317,837	\$45.15	48.51	2.95%	\$341,510	3.3%
AKR	Acadia Realty Trust	Shopping Centers	7,040	249,130	\$25.14	26.38	2.26%	\$261,452	3.3%
KIM	Kimco Realty Corp	Shopping Centers	13,370	283,712	\$21.22	21.88	2.53%	\$292,536	4.0%
KRG	Kite Realty Group Trust	Shopping Centers	8,940	57,256	\$6.40	6.00	0.48%	\$53,640	4.0%
REG	Regency Centers Corp	Shopping Centers	6,520	328,836	\$50.43	51.06	2.88%	\$332,911	3.6%
RPT	Ramco-Gershenson Properties Tr	Shopping Centers	10,900	171,058	\$15.69	16.30	1.53%	\$177,670	4.5%
SKT	Tanger Factory Outlet Centers	Shopping Centers	5,920	213,385	\$36.04	35.00	1.79%	\$207,200	2.6%
			Total Equities			\$	98.8%	\$ 11,440,930	3.3%
			Accrued Income			\$	0.3%	\$ 36,878	
			Total Cash & Cash Equivalents			\$	0.8%	\$ 98,282	
			Total Portfolio Value			\$	100.0%	\$ 11,576,090	

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PERFORMANCE HISTORY
Bay County Employees' Retirement System

Percent Return
 Per Period

Time Period	3/31/2014	Portfolio		FTSE/NAREIT
		Gross	Net	Equity REIT Index
1 Month		0.86%	0.81%	0.56%
YTD		9.92%	9.76%	9.98%
1 Year		6.56%	5.93%	4.16%
3 Year		11.20%	10.54%	10.65%
5 Year		29.82%	29.05%	28.21%
Inception (October 21, 2008)		17.00%	16.31%	14.95%

Bay County Employees' Retirement System - 05231100

Portfolio Style: SmallCap Growth Equity

Portfolio Summary

	Month To Date	Year To Date
Beginning Market Value	10,845,531.52	11,026,120.85
Contributions	0.00	0.00
Withdrawals	-13.70	-22.91
Dividend and Interest Income	8,890.67	12,356.38
Change in Market Value	480,440.93	296,395.10
Ending Market Value	11,334,849.42	11,334,849.42

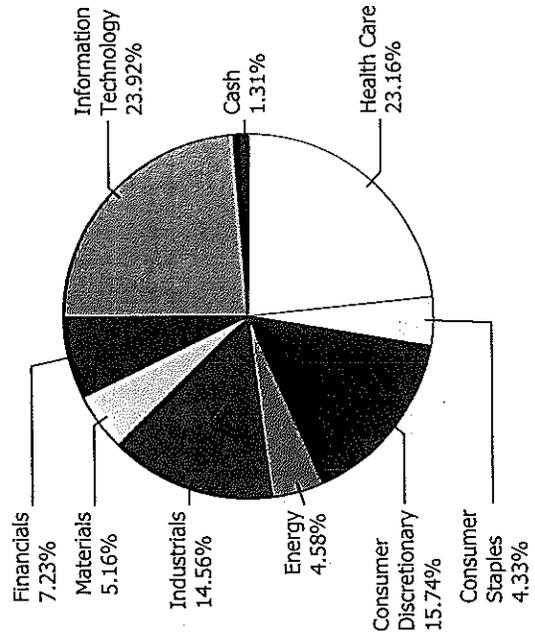
Performance Summary

	MTD	QTD	YTD	1 Year	3 Years	5 Years	Annualized Since Inception
Gross	4.51	2.80	2.80	30.89	15.52		22.93
Net	4.56	2.61	2.61	29.74	14.58		21.99
RU20GRTR ¹	4.83	3.02	3.02	37.06	15.98		25.20

¹ Russell 2000 Growth Index

Performance is based on fiscal year end of portfolio

Industry Weightings



Top Ten Holdings

Security Description	Total Market Value	% of Market Value
TEXAS INDUSTRIES INC	238,569.00	2.11%
HURON CONSULTING GROUP INC	237,153.28	2.09%
GENESCO INC	223,344.00	1.97%
QUAKER CHEMICAL CORP	222,257.28	1.96%
MULTIMEDIA GAMES HOLDING CO	206,307.18	1.82%
ASPEN TECHNOLOGY INC	196,303.08	1.73%
CENTENE CORP	191,167.36	1.69%
CORNERSTONE ONDEMAND INC	189,735.00	1.67%
NATUS MEDICAL INC	186,141.60	1.64%
IMPERVA INC	184,500.48	1.63%

Bay County Employees Retirement System

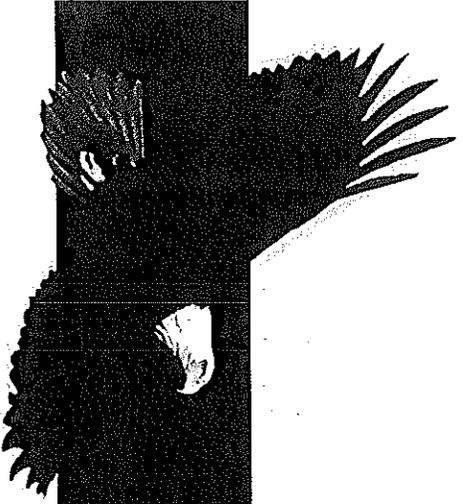
Frederick L. Dryzga, Chairperson

Bay County Building

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Investing with Intelligence, Experience and Conviction.





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Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL
Bay County Employees' Retirement System XXXX9057 (bcers)
 March 31, 2014

Original Purchase	Shares	Security	Unit Cost	Cost Basis	Price	Market Value	Pct. Assets	Annual Income	Yield
COMMON STOCK									
ELECTRONIC COMPONENTS									
01-17-13	5,545	AMPHENOL CORP NEW CL A	67.92	376,597	91.65	508,199	2.2	4,436	0.9
				376,597		508,199	2.2	4,436	0.9
COMPUTER SERVICES SOFTWARE & SYSTEMS									
01-17-13	5,141	ANSYS INC COM	72.76	374,061	77.02	395,960	1.7	0	0.0
01-17-13	9,006	COGNIZANT TECHNOLOGY SOLUTIONS CL A	39.08	351,992	50.60	455,704	2.0	0	0.0
10-17-13	3,207	COMMVAULT SYSTEMS INC COM	82.39	264,214	64.95	208,295	0.9	0	0.0
01-17-13	5,674	INTUIT COM	62.44	354,290	77.73	441,040	1.9	4,312	1.0
01-21-14	7,913	MANHATTAN ASSOCS INC COM	34.71	274,638	35.03	277,192	1.2	0	0.0
01-17-13	7,263	MICROS SYS INC COM	44.73	324,872	52.93	384,431	1.7	0	0.0
01-17-13	7,293	RED HAT INC COM	51.33	374,325	52.98	386,383	1.7	0	0.0
09-03-13	3,744	TYLER TECHNOLOGIES INC COM	83.39	312,216	83.68	313,298	1.4	0	0.0
02-04-14	1,117	ULTIMATE SOFTWARE GROUP INC COM	159.98	178,703	137.00	153,029	0.7	0	0.0
				2,809,312		3,015,331	13.3	4,312	0.1
HEALTH CARE SERVICES									
01-17-13	6,846	CATAMARAN CORP COM	51.13	350,016	44.76	306,427	1.3	0	0.0
01-17-13	8,503	CERNER CORP COM	40.92	347,932	56.25	478,294	2.1	0	0.0
				697,948		784,721	3.5	0	0.0
MEDICAL EQUIPMENT									
02-26-14	1,819	IDEXX LABS INC COM	126.30	229,745	121.40	220,827	1.0	0	0.0
06-03-13	3,933	SIRONA DENTAL SYSTEMS INC COM	69.53	273,452	74.67	293,677	1.3	0	0.0
01-17-13	5,698	VARIAN MED SYS INC COM	74.77	426,048	83.99	478,575	2.1	0	0.0
				929,245		993,079	4.4	0	0.0
MEDICAL & DENTAL INSTRUMENTS & SUPPLIES									
01-17-13	6,809	ALIGN TECHNOLOGY INC COM	30.60	208,387	51.79	352,638	1.6	0	0.0
01-17-13	2,168	BARD C R INC COM	115.63	250,690	147.98	320,821	1.4	1,821	0.6
				459,077		673,459	3.0	1,821	0.3
MEDICAL SERVICES									
01-17-13	6,728	PAREXEL INTL CORP COM	33.14	222,945	54.09	363,918	1.6	0	0.0
				222,945		363,918	1.6	0	0.0
PHARMACEUTICALS									
12-19-13	3,129	PERRIGO CO PLC SHS	152.20	476,249	154.66	483,931	2.1	1,314	0.3
				476,249		483,931	2.1	1,314	0.3



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Geneva Capital Management Ltd. PORTFOLIO APPRAISAL Bay County Employees' Retirement System XXXX9057 (bcers) March 31, 2014

Original Purchase	Shares	Security	Unit Cost	Cost Basis	Price	Market Value	Pct. Assets	Annual Income	Yield
AUTO PARTS									
01-17-13	16,059	LKQ CORP COM	22.85	366,924	26.35	423,155	1.9	0	0.0
				366,924		423,155	1.9	0	0.0
TEXTILES APPAREL & SHOES									
01-17-13	5,157	UNDER ARMOUR INC CL A	52.25	269,441	114.64	591,198	2.6	0	0.0
				269,441		591,198	2.6	0	0.0
RECREATIONAL VEHICLES & BOATS									
01-17-13	4,245	POLARIS INDS INC COM	83.79	355,709	139.71	593,069	2.6	8,150	1.4
				355,709		593,069	2.6	8,150	1.4
RESTAURANTS									
01-17-13	868	CHIPOTLE MEXICAN GRILL INC COM	321.38	278,958	568.05	493,067	2.2	0	0.0
01-17-13	1,820	PANERA BREAD CO CL A	163.05	296,747	176.47	321,175	1.4	0	0.0
				575,704		814,243	3.6	0	0.0
SPECIALTY RETAIL									
01-17-13	8,021	DICKS SPORTING GOODS INC COM	49.54	397,344	54.61	438,027	1.9	4,010	0.9
07-10-13	9,264	DSW INC CL A	41.75	386,798	35.86	332,207	1.5	6,948	2.1
01-17-13	4,116	O REILLY AUTOMOTIVE INC NEW COM	87.69	360,918	148.39	610,773	2.7	0	0.0
01-17-13	8,322	TRACTOR SUPPLY CO COM	46.82	389,619	70.63	587,783	2.6	4,327	0.7
				1,534,679		1,968,790	8.7	15,286	0.8
FOODS									
10-22-13	3,888	HAIN CELESTIAL GROUP INC COM	86.39	335,888	91.43	355,480	1.6	0	0.0
01-17-13	2,245	SMUCKER J M CO COM NEW	88.81	199,368	97.24	218,304	1.0	5,208	2.4
				535,257		573,784	2.5	5,208	0.9
PERSONAL CARE									
01-17-13	5,561	CHURCH & DWIGHT INC COM	55.87	310,701	69.07	384,098	1.7	6,896	1.8
				310,701		384,098	1.7	6,896	1.8
OIL WELL EQUIPMENT & SERVICES									
04-30-13	4,869	OCEANEERING INTL INC COM	70.43	342,945	71.86	349,886	1.5	4,285	1.2
				342,945		349,886	1.5	4,285	1.2
OIL: CRUDE PRODUCERS									
01-17-13	3,800	CONCHO RES INC COM	91.71	348,482	122.50	465,500	2.0	0	0.0
01-17-13	4,199	RANGE RES CORP COM	67.17	282,054	82.97	348,391	1.5	672	0.2
				630,536		813,891	3.6	672	0.1



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Geneva Capital Management Ltd. PORTFOLIO APPRAISAL Bay County Employees' Retirement System XXXX9057 (bcers) March 31, 2014

Original Purchase	Shares	Security	Unit Cost	Cost Basis	Price	Market Value	Pct. Assets	Annual Income	Yield
BUILDING: ROOFING/WALLBOARD & PLUMBING									
05-28-13	6,122	BEACON ROOFING SUPPLY INC COM	41.37	253,244	38.66	236,677	1.0	0	0.0
				253,244		236,677	1.0	0	0.0
CHEMICALS: DIVERSIFIED									
01-17-13	3,036	SIGMA ALDRICH CORP COM	76.44	232,069	93.38	283,502	1.2	2,793	1.0
				232,069		283,502	1.2	2,793	1.0
METAL FABRICATING									
01-17-13	5,727	FASTENAL CO COM	46.65	267,148	49.30	282,341	1.2	5,727	2.0
				267,148		282,341	1.2	5,727	2.0
MACHINERY: INDUSTRIAL									
03-18-13	3,159	CHART INDS INC COM	82.49	260,600	79.45	250,983	1.1	0	0.0
09-04-13	1,325	MIDDLEBY CORP COM	214.16	283,768	264.21	350,078	1.5	0	0.0
				544,367		601,061	2.6	0	0.0
SCIENTIFIC INSTRUMENTS: ELECTRICAL									
01-17-13	9,214	AMETEK INC NEW COM	40.34	371,714	51.49	474,429	2.1	2,211	0.5
				371,714		474,429	2.1	2,211	0.5
SCIENTIFIC INSTRUMENTS: GAUGES & METERS									
01-17-13	12,660	TRIMBLE NAVIGATION LTD COM	30.97	392,093	38.87	492,094	2.2	0	0.0
				392,093		492,094	2.2	0	0.0
SCIENTIFIC INSTRUMENTS: CONTROL & FILTER									
01-17-13	5,475	IDEX CORP COM	52.85	289,334	72.89	399,073	1.8	5,037	1.3
04-29-13	3,328	PALL CORP COM	69.15	230,133	89.47	297,756	1.3	3,661	1.2
01-17-13	1,608	ROPER INDS INC NEW COM	114.81	184,611	133.51	214,684	0.9	1,286	0.6
				704,078		911,513	4.0	9,984	1.1
RAILROAD EQUIPMENT									
01-17-13	6,528	WABTEC CORP COM	47.44	309,660	77.50	505,920	2.2	1,044	0.2
				309,660		505,920	2.2	1,044	0.2
RAILROADS									
01-17-13	3,178	GENESEE & WYO INC CL A	81.71	259,677	97.32	309,283	1.4	0	0.0
				259,677		309,283	1.4	0	0.0
TRUCKERS									
01-24-13	3,462	HUNT J B TRANS SVCS INC COM	69.32	239,990	71.92	248,987	1.1	2,770	1.1
				239,990		248,987	1.1	2,770	1.1
BACK OFFICE SUPPORT HR & CONSULTING									
01-17-13	10,108	COPART INC COM	32.30	326,483	36.39	367,830	1.6	0	0.0



Geneva Capital Management Ltd.

100 E. Wisconsin Avenue, Suite 2550, Milwaukee, WI 53202
 (t) 414-224-6002 (f) 414-224-9503 invest@gcmltd.com

Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL
Bay County Employees' Retirement System XXXX9057 (bcers)
 March 31, 2014

Original Purchase	Shares	Security	Unit Cost	Cost Basis	Price	Market Value	Pct. Assets	Annual Income	Yield
06-10-13	1,916	COSTAR GROUP INC COM	135.61	259,822	186.74	357,794	1.6	0	0.0
01-17-13	3,566	IHS INC CL A	102.21	364,474	121.50	433,269	1.9	0	0.0
03-17-14	3,591	VERISK ANALYTICS INC CL A	63.47	227,908	59.96	215,316	0.9	0	0.0
				1,178,687		1,374,209	6.0	0	0.0
ENVIRONMENTAL MAINTENANCE & SECURITY SERVICES									
01-17-13	2,951	STERICYCLE INC COM	95.08	280,582	113.62	335,293	1.5	0	0.0
				280,582		335,293	1.5	0	0.0
BANKS: DIVERSIFIED									
01-17-13	12,786	EAST WEST BANCORP INC COM	23.16	296,096	36.50	466,689	2.1	9,206	2.0
01-17-13	4,446	SIGNATURE BK NEW YORK N Y COM	72.85	323,884	125.59	558,373	2.5	0	0.0
				619,980		1,025,062	4.5	9,206	0.9
FINANCIAL DATA & SYSTEMS									
01-17-13	8,156	FISERV INC COM	41.39	337,578	56.69	462,364	2.0	0	0.0
				337,578		462,364	2.0	0	0.0
INSURANCE: MULTI-LINE									
04-29-13	9,242	BROWN & BROWN INC COM	31.12	287,567	30.76	284,284	1.3	3,697	1.3
				287,567		284,284	1.3	3,697	1.3
DIVERSIFIED FINANCIAL SERVICES									
12-20-13	5,172	RAYMOND JAMES FINANCIAL INC COM	51.90	268,429	55.93	289,270	1.3	3,310	1.1
				268,429		289,270	1.3	3,310	1.1
ASSET MANAGEMENT & CUSTODIAN									
01-17-13	2,407	AFFILIATED MANAGERS GRP COM	122.37	294,542	200.05	481,520	2.1	0	0.0
				294,542		481,520	2.1	0	0.0
SECURITIES BROKERAGE & SERVICES									
01-17-13	2,128	INTERCONTINENTAL EXCHANGE GROUP COM	127.72	271,785	197.83	420,982	1.9	5,533	1.3
				271,785		420,982	1.9	5,533	1.3
		COMMON STOCK Total		18,006,458		22,353,542	98.3	98,656	0.4
CASH AND EQUIVALENTS									
		ACCRUED DIVIDENDS		1,937		1,937	0.0	0	0.0
		CASH ACCOUNT		376,211		376,211	1.7	0	0.0
				378,148		378,148	1.7	0	0.0



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Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL
Bay County Employees' Retirement System XXXX9057 (bcers)
March 31, 2014

Original Purchase	Shares	Security	Unit Cost	Cost Basis	Price	Market Value	Pct. Assets	Annual Income	Yield
TOTAL PORTFOLIO				18,384,606		22,731,689	100.0	98,656	0.4

Please compare the information in Geneva's client reports with the information provided by the independent custodian of your account(s).

The market value on Geneva's report may differ from the value on the statement provided by your custodian due to cut off date, unsupervised assets (if applicable), pricing, or deposits/withdrawals. For tax purposes, refer to custodian records and consult with your tax adviser for advice. Geneva's reports should not be relied upon for tax purposes. Cost basis data is provided for informational purposes only and may differ from custodian records. Please reference your custodial statement for the current yield on money market fund(s). If you are not receiving periodic statements directly from your custodian, please contact Geneva immediately at 414-224-6002. Thank you.

Portfolio Summary

Date Run: 04/29/2014
 Period Covered: 02/28/2014 to 03/31/2014
 Base Currency: USD

Bay County Employees Ret System
 4407N1

Portfolio Composition as of 03/31/2014

	Total USD Market Value	% of Total
Bonds	32,606,361	95.45%
Cash and Equivalents	1,205,268	3.53%
Accrued Income	349,483	1.02%
Total	34,161,112	100.00%

Statement of Changes

Total Market Value at 02/28/2014	34,158,993
Net Additions/Withdrawals	7
Income Earned	117,978
Portfolio Appreciation/Depreciation	-115,866
Total Market Value at 03/31/2014	34,161,112

Performance Returns (Supervised Assets)

	1Mth	3Mths	YTD	1 YR	3 YRS*	5 YRS*
Total	0.01	3.06	3.06	2.31	7.16	11.35
Barclays U.S. Corporate Investment Grade	0.07	2.94	2.94	1.47	6.05	9.05

* - Returns are annualized

^Barclays Credit from 6/30/1999 thru 2/29/2012
 Citigroup Broad Inv-Grade (BIG) from 01/31/1997 thru 6/30/1999
 Barclays U.S. Corporate Investment Grade from 2/29/2012 thru 3/31/2014

This report is a service provided to customers of Loomis Sayles. It is for informational purposes only. It is not a recommendation to buy or sell securities. Past performance is not a guarantee of future results. Loomis Sayles believes information contained herein is reliable but we do not guarantee its accuracy.



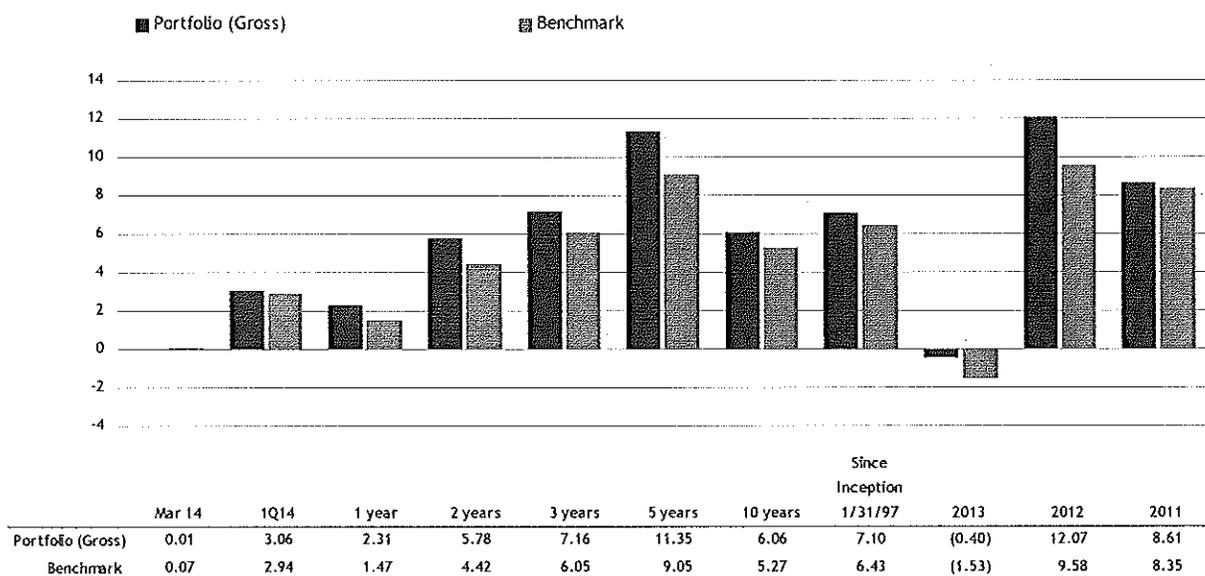
performance review

january-march 2014

MARKET VALUE

TOTAL PRINCIPAL	ACCRUED INCOME	TOTAL PORTFOLIO
\$33,811,629	\$349,483	\$34,161,112

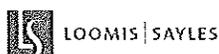
RETURNS (%)



MARKET OVERVIEW

- During recent quarters, investors were adequately compensated for the risk of holding lower quality securities. During this quarter, however, the lowest rated sleeve of the US index, Baa quality, outperformed the highest rated sleeve, Aaa quality, by just 10 basis points. The preference for high-quality corporates was not just a US phenomenon. The highest-rated bonds in the Euro-Aggregate Corporate Index managed to outperform the lowest-rated Baa bonds by nearly 100 basis points. European corporate spreads have been steadily grinding tighter since financial tension in the region eased during the fourth quarter of 2011.
- While it was not a particularly “risk-off” quarter, the Treasury market performed well as a whole. The 10- and 30-year yields fell by 31 basis points and 41 basis points and returned 3.38% and 8.11%, respectively. The 10-year Treasury bond outperformed US and European high yield. The 30-year Treasury was the top-performing asset.
- During the first quarter, emerging market currencies were mixed, but most depreciated versus the US dollar. Weaker currencies put pressure on the GBI-EM Index, but it still managed a positive return. The EMBIG Index, denominated in US dollars, was the top performer as investors chose carry trades but shied away from the risk of volatile currencies. The CEMBI, also a US-dollar-pay index, outperformed the GBI-EM but underperformed the EMBIG Index. Emerging markets have had a difficult last twelve months, but value is appearing in several areas of this asset class.

The current benchmark is Barclays U.S. Corporate Investment Grade. (1) Citigroup Broad Inv-Grade (BIG) from 1/31/1997 to 6/30/1999; Barclays Credit from 6/30/1999 to 2/29/2012; and Barclays U.S. Corporate Investment Grade from 2/29/2012 to 3/31/2014. Returns over one year are annualized. Information is reported on a trade date basis. Data Source: Barclays Capital, Bloomberg



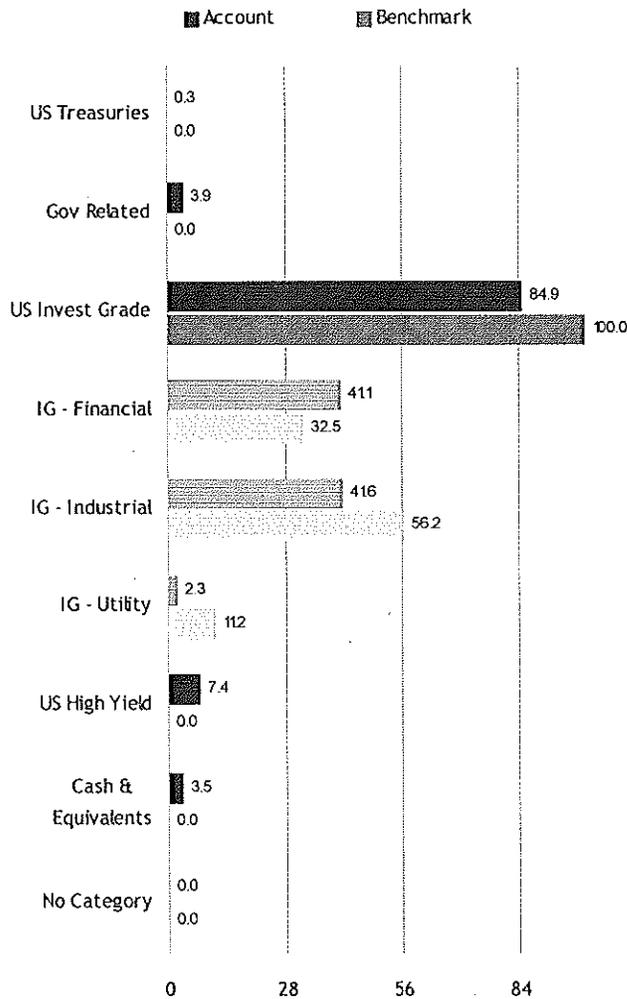
performance review

january-march 2014

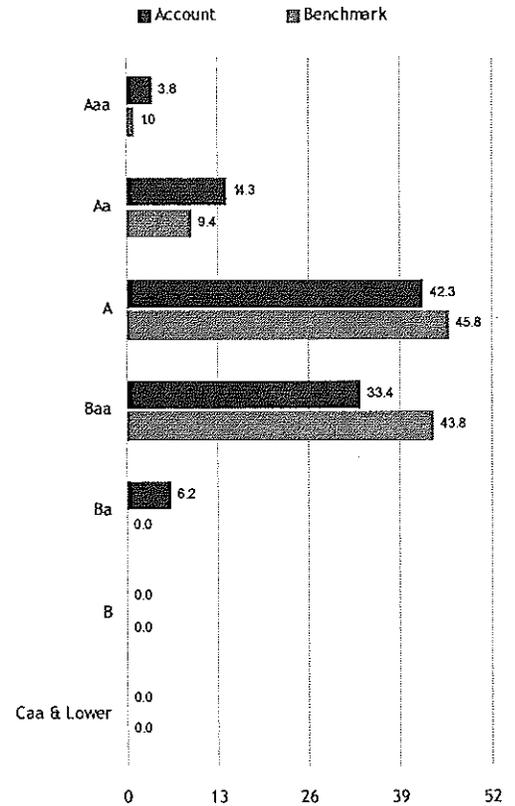
CHARACTERISTICS

	PORTFOLIO	BENCHMARK
Effective Duration	6.92 years	6.91 years
Average Maturity	10.05 years	10.14 years
Yield	3.37%	3.06%
Average Coupon	4.54%	4.59%
Average Quality	A3	Baa1

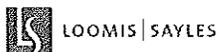
SECTOR ANALYSIS AT MARCH 31, 2014 (%)



QUALITY ANALYSIS AT MARCH 31, 2014 (%)



The current benchmark is Barclays U.S. Corporate Investment Grade. For split rated securities in the quality distribution, the higher of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Equity securities are deemed to have a duration and maturity value of zero. Yield is Yield to Effective Maturity. Data Source: Barclays Capital



Bay County Employees Ret System

performance review

january-march 2014

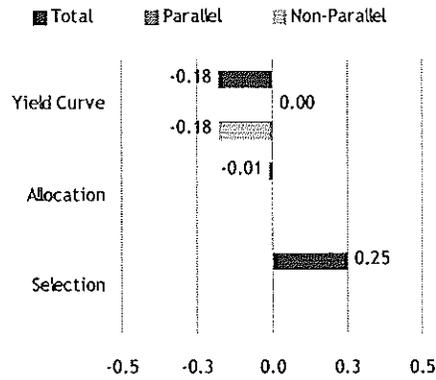
CURRENT QUARTER TOTAL RETURNS (%)

Account Return	3.06
Benchmark Return	2.94
Excess Return	0.12

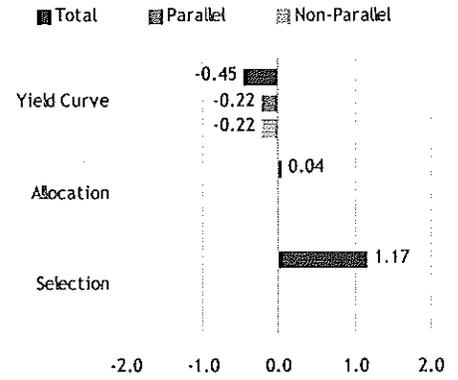
TRAILING YEAR TOTAL RETURNS (%)

Account Return	2.31
Benchmark Return	1.47
Excess Return	0.84

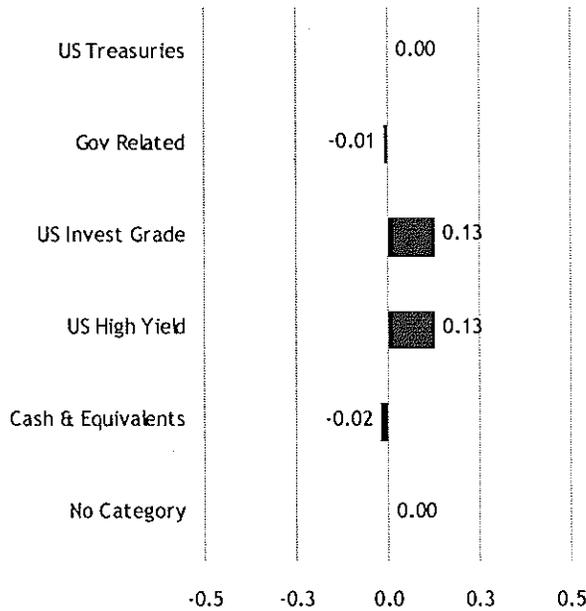
CURRENT QUARTER EXCESS RETURN ATTRIBUTION (%)



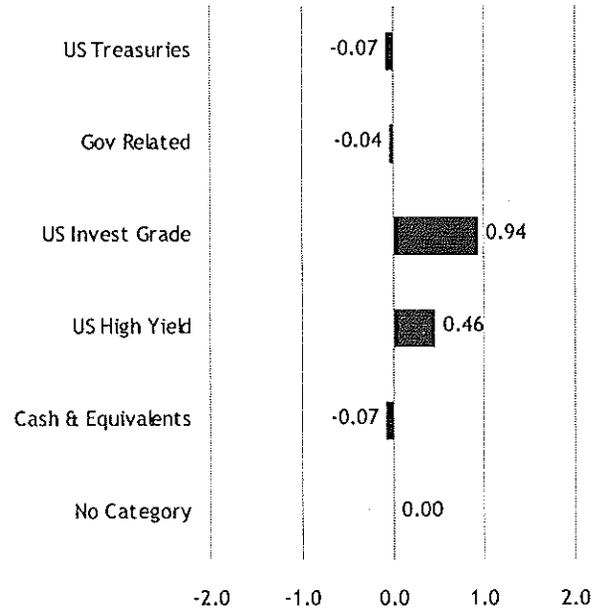
TRAILING YEAR EXCESS RETURN ATTRIBUTION (%)



EXCESS RETURN ATTRIBUTION BY SECTOR (%)



EXCESS RETURN ATTRIBUTION BY SECTOR (%)



The Attribution benchmark is Barclays U.S. Corporate Investment Grade. Figures on bar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Attribution account returns are gross of fees. Excess Return by sector excludes yield curve impact. Data Source: Barclays Capital

Bay County Employees' Retirement System
 Growth Equity
 Report as of 31 March 2014

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

Period	Portfolio gross	Portfolio net	Benchmark [^]	Excess ^{^^}
March	-3.30	-3.35	-1.01	-2.34
February	5.71	5.66	5.15	0.51
January	-2.23	-2.28	-2.85	0.57
1Q 2014	-0.06	-0.21	1.12	-1.33
1 year	25.79	25.04	23.22	1.82
Since client inception (04-Sep-12)	25.88	25.13	21.49	3.64

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

The Growth Equity portfolio underperformed the Russell 1000 Growth Index in the first quarter of 2014.

Detractors

Financial Services – Stock selection

Individual Stocks - Detractors

Microsoft Corp (not held)

Precision Castparts Corp.

21st Century Fox

Contributors

Health Care – Stock selection

Individual Stocks - Contributors

Wynn Resorts Ltd

Apple Inc

Bay County Employees' Retirement System
Growth Equity

Report as of 30 April 2014

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

Period	Portfolio gross	Portfolio net	Benchmark [^]	Excess ^{^^}
April	-1.56	-1.61	0.00	-1.61
1Q 2014	-0.06	-0.21	1.12	-1.33
2014 YTD	-1.62	-1.82	1.12	-2.94
1 year	23.15	22.41	20.66	1.75
Since client inception (04-Sep-12)	23.27	22.53	20.32	2.21

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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MFS Institutional Advisors, Inc.

27A

FIRST QUARTER 2014

OVERVIEW OF QUARTERLY PERFORMANCE

MACKAYSHIELDS

MARKET OVERVIEW

The U.S. convertible market, as measured by the BofA Merrill Lynch All Convertible Index, rose 4.33% in the first quarter of 2014, while underlying equities climbed 4.18%. During the quarter, investment-grade convertibles, as measured by the BofA Merrill Lynch Investment Grade Convertible Index, increased 4.09%, while speculative-grade convertibles rose 3.21%.

Convertible securities advanced during the first quarter on the back of decent equity performance as economic reports continue to show a slow-growing U.S. economy and stabilization in Europe. We believe that equity markets will be higher in the coming twelve to eighteen months as economic growth in the U.S. continues at a slow pace, while Europe's stagnant economies begin to expand. The Federal Reserve is likely to continue a monetary policy of low interest rates, which should foster a healthy climate for stocks and equity-linked securities such as convertibles. Despite the recent Russian involvement in Ukraine, energy prices remain relatively subdued, which should provide a slight tailwind for economic activity. Significant growth in U.S. crude oil production and large supplies of natural gas have kept energy prices contained, providing some increased spending power for consumers and lower costs for businesses.

We continue to believe that equities and equity-linked securities, such as convertibles, are attractively valued, particularly when compared to the yields on pure fixed income securities (most specifically U.S. Treasury and investment-grade bonds). We maintain that in a slow growth environment, at current valuations, convertible bonds and stocks are attractive and should continue to perform well.

With the exception of Media and Consumer Staples, each benchmark sector rose during the period. The Transportation, Utilities and Technology sectors posted the strongest returns, rising 15.59%, 7.64% and 6.24%, respectively. The poorest performing sectors included Media, Consumer Staples, Materials and Energy.

New issues continued to come to market during the first three months of 2014. A total of 26 new convertibles were issued into the U.S. market during the first quarter, raising approximately \$9.1 billion. Issuance was well diversified among sectors. The average convertible new issue offering was \$366 million in size. All new issuance year-to-date has been either rated speculative grade (12%) or non-rated (88%). We expect new issuance from investment grade companies to remain depressed until yields on the ten-year Treasury exceed 3.5%.

PERFORMANCE

The convertibles of Teva Pharmaceuticals, Schlumberger and Airtran/Southwest Airlines were leading contributors during the first quarter. Teva Pharmaceuticals' convertible bonds rose in the first quarter as several positive developments boosted the company's share price. Teva received FDA approval to market a new version of its multi-billion dollar multiple sclerosis therapy. In addition, the U.S. Supreme Court agreed to hear Teva's appeal of an earlier patent decision which allowed for a generic version of Teva's best-selling drug. The High Court's decision should delay generic competition for at least an additional nine months, which gives the company a window to shift patients to the newer version of its proprietary drug. The synthetic convertible bonds of Schlumberger advanced in the first quarter after the company reported solid fourth quarter, 2013 earnings. In addition, in March, investors bid up the shares of divided-paying large cap stocks, as market participants rotated out of expensive biotechnology and internet-related companies. Southwest Airlines rose in the first quarter in tandem with the company's common shares. Southwest, and airlines in general, have performed well during the past year as recent consolidation in the industry has allowed air carriers to fly fewer planes, charge higher fares, and operate at higher capacity. Investors believe the flight cancellations from poor winter weather are a temporary phenomenon, and that the benefits of consolidation will continue for the foreseeable future.

Conversely, exposure to the convertibles bonds of Chart Industries, Gilead Sciences and Danaher, weighed on performance during the quarter. The convertible bonds of Chart Industries have been poor performers for the past two quarters. The company has missed earnings estimates and lowered earnings and revenue

FIRST QUARTER 2014

OVERVIEW OF QUARTERLY PERFORMANCE

MACKAYSHIELDS

guidance for 2014 in February. Chart's main growth business, supplying equipment for cooling and transporting liquid natural gas, has been hurt by the recent action of the Chinese government to ration natural gas due to supply shortages. In addition, the company's legacy business, manufacturing steel container tanks for oxygen and other gases for medical and industrial customers, is mature and growing slowly. We believe that Chart's energy business will rebound and that long-term fundamentals for that segment remain positive. Gilead Sciences declined as part of a general selloff in biotech securities, an industry that performed well over the past year. In addition, some investors became anxious in the wake of a call by a U.S. Congressman to investigate the company's pricing of its recently approved cure for Hepatitis C, Sovaldi, which is priced at approximately \$200,000 for a course of treatment. Last, the convertible bonds of Danaher declined slightly during the first quarter, despite the company reporting solid fourth quarter, 2013 earnings. Investors may be concerned that the company's large size impairs its ability to continue its strategy of making meaningful acquisitions that are accretive to earnings per share.

OUTLOOK

2013 was an outstanding year for the convertible market, and 2014 is off to a decent start. Apart from the extraordinary market returns, the past year marked the resurrection of a vibrant market for new convertible issuance. Last year's returns were also testimony to the notion that convertible bonds will outperform in a rising rate environment and, unlike almost all other classes of fixed income instruments, have almost no correlation to the movement in interest rates. Regarding issuance, 2013 saw over 130 new issues totaling approximately \$44.4 billion come to the market. This compares to 68 new issues totaling \$21.5 billion which came to the market in 2012. This surge in new issuance was largely due to the simultaneous rise in stock prices and interest rates. With the rise in rates, issuing companies could once again realize a significant interest savings by issuing a convertible bond instead of a non-convertible high-yield security. For most investment grade companies, however, rates remain so low in absolute terms that the benefits of a convertible offering remain relatively muted. As such, the preponderance of new issuance in 2013 was from non-investment grade companies. In addition, following the stock market decline of 2008, companies were reluctant to issue equity-linked securities as they believed that doing so would dilute existing equity holders at prices that they believed under-valued their companies. However, with stocks at record levels, companies are no longer reluctant to issue a security linked to their equity.

We believe that this trend will continue and perhaps accelerate in 2014. If interest rates continue to rise from record low levels, and stocks hold onto gains, we believe that 2014's new convertible issuance is likely to exceed 2013's level. We do not expect the investment gains of 2013 to be repeated but, with decent corporate earnings, stocks and convertible bonds are likely to see further advances.

We remain convinced that convertible bonds and equities are undervalued in the current slow growth environment. Given the slowly improving macro economy, and the relatively low rates of interest and inflation, stocks appear inexpensive based on various measures such as price to earnings, price to cash flow or price to free cash flow. As such, we expect convertible bond and stock prices to be higher in the coming twelve to eighteen months.

Convertible bonds remain an excellent vehicle through which to participate in further equity advances. At current valuations, convertible bonds should participate in the majority of the stock market's advances, but less than half of any decline in the event that our outlook for equities is wrong.

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BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAYSHIELDS

Portfolio Composition and Performance — Account 1256

March 31, 2014

Composition	Market Value	Percent of Total
Fixed Income	12,352,008	68.93
Equity	2,239,426	12.50
Cash & Equivalents	3,327,279	18.57
Total Portfolio	\$17,918,714	100.00%

Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
Total Fund (Gross of fees)	0.02%	3.34%	3.34%	16.15%	7.60%	12.21%	96.75%	6.65%
Merrill Lynch Convertible Inv Grade	-2.16%	3.79%	3.79%	21.16%	9.64%	12.73%	105.19%	7.08%
ML Convt Inv Grade BDS (Inc Mandatory)	-1.48%	4.09%	4.09%	18.27%	9.51%	13.90%	68.31%	5.08%

Expressed in USD
Past performance is not indicative of future results.

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAYSHIELDS

Summary Report — Account 1256 March 31, 2014

	Total Cost	Percent at Cost	Yield at Cost	Market Value	Percent of Assets	Yield at Market	Annual Income
Bonds	9,568,555	85.15	1.66	12,310,586	68.70	1.29	159,136
Stocks	1,668,486	14.85	3.67	2,235,277	12.47	2.74	61,157
Cash & Equivalents	0	0.00		3,327,279	18.57	0.09	2,995
Accrued Income				45,571	0.25		
Total Portfolio	\$11,237,041	100.00%	1.96	\$17,918,713	100.00%	1.25	\$223,287



Execution Solutions

Recapture Services
 Bay County Employees Retirement System
 Plan Trading Summary (US Dollars)
 January 01, 2014 - March 31, 2014

Ref#: 23803

Manager	Current Month Commissions	Current Month Credits	Year-To-Date Commissions	Year-To-Date Credits
Revenue Type: Equity				
Columbia Management Advisors, LLC	0.00	0.00	900.00	630.00
Eagle Asset Management	52.96	37.07	52.96	37.07
Geneva Capital Management Ltd	611.32	427.92	2,025.00	1,417.50
Hochkiss & Wiley	0.00	0.00	0.00	0.00
MFS Investment Management Co.	0.00	0.00	0.00	0.00
Totals for Equity	664.28	465.00	2,977.96	2,084.57
Revenue Type: Correspondent Equity				
Baring Asset Management Ltd.	0.00	0.00	19.28	13.50
Baring Asset Management Ltd.	0.00	0.00	14.25	0.00
Integrity Asset Management	42.81	29.97	1,109.31	776.52
Integrity Asset Management	14.27	0.00	409.77	0.00
Totals for Correspondent Equity	57.08	29.97	1,552.61	790.02
Revenue Type: International Correspondent				
Baring Asset Management Ltd.	387.70	290.77	1,019.67	764.75
Baring Asset Management Ltd.	490.46	0.00	1,282.90	0.00
Schroder Investment Management Ltd	0.00	0.00	0.00	0.00
Totals for International Correspondent	878.16	290.77	2,302.57	764.75
Grand Totals	1,599.52	785.73	6,833.14	3,639.34

33

Commission Recapture Sales : Kimberly Doran, 212.468.7701, kdoran@converge.com

Commission Recapture Client Services : 800-982-7526, cpclientservices@converge.com

Transition Management Sales : Kimberly Doran, 212.468.7701, kdoran@converge.com

This statement represents trades through Posted Date March 31, 2014 for all US transactions and upon information provided to us to date from our Global Correspondent Network for all non-US transactions
 PLEASE CHECK YOUR STATEMENTS FOR ACCURACY AND REPORT ANY INACCURACIES TO RECAPTURE SERVICES.

1633 Broadway, 48th floor, New York, NY 10019

view your statements online @ clients.converge.com

Summary by Revenue Type

Revenue Type	Month to Date			Year to Date	
	Commissions	Credits	Adjustments	Commissions	Credits
Equity	664.28	465.00	2,977.96	2,084.57	2,084.57
Correspondent Equity	42.81	29.97	1,128.59	790.02	790.02
Correspondent Broker Fees	14.27	0.00	424.02	0.00	0.00
International Correspondent	387.70	290.77	1,019.67	764.75	764.75
Correspondent Broker Fees	490.46	0.00	1,282.90	0.00	0.00
Fixed Income	0.00	0.00	0.00	0.00	0.00
12B-1 fees	0.00	0.00	0.00	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00	0.00
No Credit	0.00	0.00	0.00	0.00	0.00
TOTAL	1,599.52	785.73	6,833.14	3,639.34	3,639.34

Account Balance

Month	Commissions	Credits	Adjustments	Payments	Month Ending
Prior Year CR or DB	0.00	0.00			1,830.63
January 2014	2,012.80	1,121.77	0.00	1,830.63	1,121.76
February 2014	3,220.83	1,731.84	0.00	0.00	2,853.60
March 2014	1,599.52	785.73	0.00	0.00	3,639.34
April 2014	0.00	0.00			
May 2014	0.00	0.00			
June 2014	0.00	0.00			
July 2014	0.00	0.00			
August 2014	0.00	0.00			
September 2014	0.00	0.00			
October 2014	0.00	0.00			
November 2014	0.00	0.00			
December 2014	0.00	0.00			
TOTAL	6,833.14	3,639.34	0.00	1,830.63	3,639.34

Current Balance	3,639.34
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Commission Recapture Client Services : 800-992-7526, cpclientservices@convergex.com

Transition Management Sales : Kimberly Doran, 212.468.7701, kdoran@convergex.com

This statement represents trades through Posted Date March 31, 2014 for all US transactions and upon information provided to us to date from our Global Correspondent Network for all non-US transactions
PLEASE CHECK YOUR STATEMENTS FOR ACCURACY AND REPORT ANY INACCURACIES TO RECAPTURE SERVICES.

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THE NORTHERN TRUST COMPANY
 801 S. CANAL
 CHICAGO, IL. 60675
 SECURITIES LENDING DIVISION C-1S

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 1
 BILLING DATE: 04/04/2014
 BILLING PERIOD: 03/01/2014 - 03/31/2014

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: BYC03					
ACCOUNT NAME: BAYCO- BARINGS					
OPEN CASH	0.00	0.00	0.00	92.05	92.05
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	34.96	34.96
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	127.01	127.01
TOTAL REBATES	0.00	0.00	0.00	615.69-	615.69-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	742.70	742.70
BANK FEES	0.00	0.00	0.00	297.04	297.04
NET INCOME	0.00	0.00	0.00	445.66	445.66

ACCOUNT NUM.: 1799220					
ACCOUNT NAME: *TNT-LDN-BYC03-BAYCO-BARING-SL					
OPEN CASH	0.00	0.00	0.00	69.31	69.31
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	69.31	69.31
TOTAL REBATES	0.00	0.00	0.00	8.94-	8.94-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	78.25	78.25
BANK FEES	0.00	0.00	0.00	31.18	31.18
NET INCOME	0.00	0.00	0.00	47.07	47.07

ACCOUNT NUM.: 2608694					
ACCOUNT NAME: *BAYCO - COLUMBIA MANAGEMENT					
OPEN CASH	0.00	2,000.40	0.00	0.00	2,000.40
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,000.40	0.00	0.00	2,000.40
TOTAL REBATES	0.00	214.58-	0.00	0.00	214.58-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,214.98	0.00	0.00	2,214.98
BANK FEES	0.00	885.56	0.00	0.00	885.56
NET INCOME	0.00	1,329.42	0.00	0.00	1,329.42

THE NORTHERN TRUST COMPANY

	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2618668				
ACCOUNT NAME: *BAYCO - BAIRD				
OPEN CASH	1,968.90	0.00	0.00	1,968.90
TERM CASH	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,968.90	0.00	0.00	1,968.90
TOTAL REBATES	716.04	0.00	0.00	716.04
COMMISSIONS	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,252.86	0.00	0.00	1,252.86
BANK FEES	501.03	0.00	0.00	501.03
NET INCOME	751.83	0.00	0.00	751.83

	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2622490				
ACCOUNT NAME: *BAYCO - MACKAY SHIELDS				
OPEN CASH	15.06	0.00	8.80	1,051.68
TERM CASH	0.00	0.00	0.00	0.00
NON CASH	5.28	0.00	0.00	269.98
DEAL STOCKS	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,292.52	0.00	8.80	1,321.66
TOTAL REBATES	672.33	0.00	1.05	698.84
COMMISSIONS	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,964.85	0.00	9.85	2,020.50
BANK FEES	785.46	0.00	3.88	807.60
NET INCOME	1,179.39	0.00	5.97	1,212.90

	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2622536				
ACCOUNT NAME: *BAYCO - HATCHKIS & WILEY				
OPEN CASH	1,026.77	0.00	275.59	1,302.36
TERM CASH	9.81	0.00	0.00	9.81
NON CASH	27.11	0.00	0.00	27.11
DEAL STOCKS	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,063.69	0.00	275.59	1,339.28
TOTAL REBATES	106.59	0.00	54.12	160.71
COMMISSIONS	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,170.28	0.00	329.71	1,499.99
BANK FEES	465.88	0.00	131.40	597.28
NET INCOME	704.40	0.00	198.31	902.71

THE NORTHERN TRUST COMPANY

01000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 3

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2624493					
ACCOUNT NAME: *BAYCO - WENTWORTH	-SL				
OPEN CASH	0.00	0.00	0.00	0.00	0.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	0.00	0.00
TOTAL REBATES	0.00	0.00	0.00	0.00	0.00
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	0.00	0.00
BANK FEES	0.00	0.00	0.00	0.00	0.00
NET INCOME	0.00	0.00	0.00	0.00	0.00

ACCOUNT NUM.: 2639956					
ACCOUNT NAME: *BAYCO - DENVER INV ADV	-SL				
OPEN CASH	0.00	0.00	0.00	0.00	0.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	0.00	0.00
TOTAL REBATES	0.00	0.00	0.00	0.00	0.00
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	0.00	0.00
BANK FEES	0.00	0.00	0.00	0.00	0.00
NET INCOME	0.00	0.00	0.00	0.00	0.00

ACCOUNT NUM.: 2641401					
ACCOUNT NAME: *BAYCO - LOOMIS SAYLES	-SL				
OPEN CASH	1,202.00	0.00	417.99	0.00	1,619.99
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.82	0.00	0.00	0.00	0.82
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,202.82	0.00	417.99	0.00	1,620.81
TOTAL REBATES	207.70-	0.00	257.56-	0.00	465.26-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,410.52	0.00	675.55	0.00	2,086.07
BANK FEES	563.13	0.00	269.86	0.00	832.99
NET INCOME	847.39	0.00	405.69	0.00	1,253.08

THE NORTHERN TRUST COMPANY

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2649057					
ACCOUNT NAME: *BAYCO GENEVA CAPITAL MGMT -SL					
OPEN CASH	0.00	1,803.95	0.00	98.79	1,902.74
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,803.95	0.00	98.79	1,902.74
TOTAL REBATES	0.00	225.02	0.00	10.19	235.21
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,028.97	0.00	108.98	2,137.95
BANK FEES	0.00	810.95	0.00	43.54	854.49
NET INCOME	0.00	1,218.02	0.00	65.44	1,283.46

ACCOUNT NUM.: 2653308					
ACCOUNT NAME: *BAYCO - INTEGRITY -SL					
OPEN CASH	0.00	1,782.38	0.00	132.28	1,914.66
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,782.38	0.00	132.28	1,914.66
TOTAL REBATES	0.00	401.55	0.00	27.48	429.03
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,183.93	0.00	159.76	2,343.69
BANK FEES	0.00	872.30	0.00	63.79	936.09
NET INCOME	0.00	1,311.63	0.00	95.97	1,407.60

ACCOUNT NUM.: 2663296					
ACCOUNT NAME: *BAYCO - CORNERSTONE REALES-SL					
OPEN CASH	0.00	1,278.18	0.00	0.00	1,278.18
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,278.18	0.00	0.00	1,278.18
TOTAL REBATES	0.00	139.81	0.00	0.00	139.81
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,417.99	0.00	0.00	1,417.99
BANK FEES	0.00	565.77	0.00	0.00	565.77
NET INCOME	0.00	852.22	0.00	0.00	852.22

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THE NORTHERN TRUST COMPANY

CURRENCY: USD

SUMMARY EARNINGS STATEMENT

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

TOTAL

GLOBAL EQUITY

GLOBAL FIXED

US EQUITY

ACCOUNT NUM.: 2683854					
ACCOUNT NAME: *BAYCO - MFS INVESTMENTS	-SL				
OPEN CASH	0.00				
TERM CASH	0.00				
NON CASH	0.00				
DEAL STOCKS	0.00				
GROSS EARNINGS	0.00				
TOTAL REBATES	0.00				
COMMISSIONS	0.00				
CLIENT EARNINGS	0.00				
BANK FEES	0.00				
NET INCOME	0.00				
		1,772.61	0.00	324.26	2,096.87
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		1,772.61	0.00	324.26	2,096.87
		307.13-	0.00	130.07-	437.20-
		0.00	0.00	0.00	0.00
		2,079.74	0.00	454.33	2,534.07
		831.11	0.00	181.49	1,012.60
		1,248.63	0.00	272.84	1,521.47

ACCOUNT NUM.: 2695063					
ACCOUNT NAME: *BAYCO - EAGLE ASSET	-SL				
OPEN CASH	0.00				
TERM CASH	0.00				
NON CASH	0.00				
DEAL STOCKS	0.00				
GROSS EARNINGS	0.00				
TOTAL REBATES	0.00				
COMMISSIONS	0.00				
CLIENT EARNINGS	0.00				
BANK FEES	0.00				
NET INCOME	0.00				
		1,378.49	0.00	55.25	1,433.74
		0.00	0.00	0.00	0.00
		479.87	0.00	0.00	479.87
		0.00	0.00	0.00	0.00
		1,858.36	0.00	55.25	1,913.61
		730.05-	0.00	60.56-	790.61-
		0.53	0.00	0.00	0.53
		2,587.88	0.00	115.81	2,703.69
		1,032.43	0.00	46.22	1,078.65
		1,555.45	0.00	69.59	1,625.04

GRAND TOTAL					
OPEN CASH	4,198.72				
TERM CASH	0.00				
NON CASH	265.52				
DEAL STOCKS	0.00				
GROSS EARNINGS	4,464.24				
TOTAL REBATES	163.99-				
COMMISSIONS	0.00				
CLIENT EARNINGS	4,628.23				
BANK FEES	1,849.62				
NET INCOME	2,778.61				
		11,057.84	417.99	1,056.33	16,730.88
		9.81	0.00	0.00	9.81
		512.26	0.00	34.96	812.74
		0.00	0.00	0.00	0.00
		11,579.91	417.99	1,091.29	17,553.43
		2,150.19-	257.56-	908.10-	3,479.84-
		0.53	0.00	0.00	0.53
		13,729.57	675.55	1,999.39	21,032.74
		5,482.26	269.86	798.54	8,400.28
		8,247.31	405.69	1,200.85	12,632.46

THE NORTHERN TRUST COMPANY
 801 S. CANAL
 CHICAGO, IL. 60675
 SECURITIES LENDING DIVISION C-1S

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 1

BILLING DATE: 05/07/2014
 BILLING PERIOD: 04/01/2014 - 04/30/2014

	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: BYC03				
ACCOUNT NAME: BAYCO- BARINGS				
OPEN CASH	0.00	0.00	15.23	15.23
TERM CASH	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	1,204.08	1,204.08
DEAL STOCKS	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	1,219.31	1,219.31
TOTAL REBATES	0.00	0.00	399.45-	399.45-
COMMISSIONS	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	1,618.76	1,618.76
BANK FEES	0.00	0.00	647.47	647.47
NET INCOME	0.00	0.00	971.29	971.29

ACCOUNT NUM.: 1799220				
ACCOUNT NAME: *TNT-LDN-BYC03-BAYCO-BARING-SL				
OPEN CASH	0.00	0.00	55.91	55.91
TERM CASH	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	55.91	55.91
TOTAL REBATES	0.00	0.00	7.48-	7.48-
COMMISSIONS	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	63.39	63.39
BANK FEES	0.00	0.00	25.17	25.17
NET INCOME	0.00	0.00	38.22	38.22

ACCOUNT NUM.: 2608694				
ACCOUNT NAME: *BAYCO - COLUMBIA MANAGEMENT				
OPEN CASH	0.00	0.00	0.00	1,336.46
TERM CASH	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	1,336.46
TOTAL REBATES	0.00	0.00	0.00	112.94-
COMMISSIONS	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	1,449.40
BANK FEES	0.00	0.00	0.00	579.43
NET INCOME	0.00	0.00	869.97	869.97

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THE NORTHERN TRUST COMPANY

ACCOUNT NUM.: 2618668	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NAME: *BAYCO - BAIRD	-SL				
OPEN CASH	1,934.28	0.00	0.00	0.00	1,934.28
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,934.28	0.00	0.00	0.00	1,934.28
TOTAL REBATES	585.83	0.00	0.00	0.00	585.83
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,348.45	0.00	0.00	0.00	1,348.45
BANK FEES	539.27	0.00	0.00	0.00	539.27
NET INCOME	809.18	0.00	0.00	0.00	809.18

ACCOUNT NUM.: 2622490	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NAME: *BAYCO - MACKAY SHIELDS	-SL				
OPEN CASH	973.87	24.36	0.00	8.72	1,006.95
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	146.27	0.00	0.00	0.00	146.27
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,120.14	24.36	0.00	8.72	1,153.22
TOTAL REBATES	765.99	35.96	0.00	0.85	802.80
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,886.13	60.32	0.00	9.57	1,956.02
BANK FEES	754.10	24.09	0.00	3.80	781.99
NET INCOME	1,132.03	36.23	0.00	5.77	1,174.03

ACCOUNT NUM.: 2622536	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NAME: *BAYCO - HOTCHKIS & WILEY	-SL				
OPEN CASH	0.00	989.24	0.00	231.89	1,221.13
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	25.07	0.00	0.00	25.07
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,014.31	0.00	231.89	1,246.20
TOTAL REBATES	0.00	80.46	0.00	73.23	153.69
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,094.77	0.00	305.12	1,399.89
BANK FEES	0.00	435.94	0.00	121.73	557.67
NET INCOME	0.00	658.83	0.00	183.39	842.22

THE NORTHERN TRUST COMPANY

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2624493					
ACCOUNT NAME: *BAYCO - WENTWORTH	-SL				
OPEN CASH	0.00	0.00	0.00	0.00	0.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	0.00	0.00
TOTAL REBATES	0.00	0.00	0.00	0.00	0.00
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	0.00	0.00
BANK FEES	0.00	0.00	0.00	0.00	0.00
NET INCOME	0.00	0.00	0.00	0.00	0.00

ACCOUNT NUM.: 2639956					
ACCOUNT NAME: *BAYCO - DENVER INV ADV	-SL				
OPEN CASH	0.00	0.00	0.00	0.00	0.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	0.00	0.00
TOTAL REBATES	0.00	0.00	0.00	0.00	0.00
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	0.00	0.00
BANK FEES	0.00	0.00	0.00	0.00	0.00
NET INCOME	0.00	0.00	0.00	0.00	0.00

ACCOUNT NUM.: 2641401					
ACCOUNT NAME: *BAYCO - LOOMIS SAYLES	-SL				
OPEN CASH	1,244.02	0.00	597.23	0.00	1,841.25
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	1.26	0.00	0.00	0.00	1.26
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,245.28	0.00	597.23	0.00	1,842.51
TOTAL REBATES	135.94	0.00	202.92	0.00	338.86
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,381.22	0.00	800.15	0.00	2,181.37
BANK FEES	551.59	0.00	319.69	0.00	871.28
NET INCOME	829.63	0.00	480.46	0.00	1,310.09

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THE NORTHERN TRUST COMPANY

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2649057					
ACCOUNT NAME: *BAYCO GENEVA CAPITAL MGMT -SL					
OPEN CASH	0.00	1,413.75	0.00	19.09	1,432.84
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,413.75	0.00	19.09	1,432.84
TOTAL REBATES	0.00	134.61	0.00	1.57	136.18
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,548.36	0.00	20.66	1,569.02
BANK FEES	0.00	618.76	0.00	8.26	627.02
NET INCOME	0.00	929.60	0.00	12.40	942.00

ACCOUNT NUM.: 2653308					
ACCOUNT NAME: *BAYCO - INTEGRITY -SL					
OPEN CASH	0.00	1,680.23	0.00	96.27	1,776.50
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,680.23	0.00	96.27	1,776.50
TOTAL REBATES	0.00	346.36	0.00	22.47	368.83
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,026.59	0.00	118.74	2,145.33
BANK FEES	0.00	809.53	0.00	47.46	856.99
NET INCOME	0.00	1,217.06	0.00	71.28	1,288.34

ACCOUNT NUM.: 2663296					
ACCOUNT NAME: *BAYCO - CORNERSTONE REALES-SL					
OPEN CASH	0.00	1,002.43	0.00	0.00	1,002.43
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	7.23	0.00	0.00	7.23
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,009.66	0.00	0.00	1,009.66
TOTAL REBATES	0.00	102.98	0.00	0.00	102.98
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,112.64	0.00	0.00	1,112.64
BANK FEES	0.00	444.13	0.00	0.00	444.13
NET INCOME	0.00	668.51	0.00	0.00	668.51

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THE NORTHERN TRUST COMPANY

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 5
 US FIXED US EQUITY GLOBAL FIXED GLOBAL EQUITY TOTAL

ACCOUNT NUM.: 2683854					
ACCOUNT NAME: *BAYCO - MFS INVESTMENTS -SL					
OPEN CASH	0.00	1,527.28	0.00	294.26	1,821.54
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,527.28	0.00	294.26	1,821.54
TOTAL REBATES	0.00	138.20	0.00	225.82	364.02
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,665.48	0.00	520.08	2,185.56
BANK FEES	0.00	665.58	0.00	207.85	873.43
NET INCOME	0.00	999.90	0.00	312.23	1,312.13

ACCOUNT NUM.: 2695063					
ACCOUNT NAME: *BAYCO - EAGLE ASSET -SL					
OPEN CASH	0.00	1,244.37	0.00	51.04	1,295.41
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	430.14	0.00	0.00	430.14
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,674.51	0.00	51.04	1,725.55
TOTAL REBATES	0.00	586.59	0.00	47.15	633.74
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,261.10	0.00	98.19	2,359.29
BANK FEES	0.00	902.11	0.00	39.17	941.28
NET INCOME	0.00	1,358.99	0.00	59.02	1,418.01

GRAND TOTAL					
OPEN CASH	4,152.17	9,218.12	597.23	772.41	14,739.93
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	147.53	462.44	0.00	1,204.08	1,814.05
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	4,299.70	9,680.56	597.23	1,976.49	16,553.98
TOTAL REBATES	316.10	1,538.10	202.92	778.02	2,835.14
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	4,615.80	11,218.66	800.15	2,754.51	19,389.12
BANK FEES	1,844.96	4,479.57	319.69	1,100.91	7,745.13
NET INCOME	2,770.84	6,739.09	480.46	1,653.60	11,643.99

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REFUNDS: FOR THE MONTH ENDED:

April 30, 2014

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
ADAIR, TIMOTHY	568.85	4/1/14	BABH	12/6/13
KANISZEWSKI, MARIA	839.00	4/1/14	BABH	12/16/13

TOTAL REFUNDS: 1,407.85

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE
SYMANSKI, ANDREA D	\$ 57,563.83	General	4/9/2014
MROZINSKI, JAN	\$ 71,476.24	BMCF	3/15/2014
KNOCHEL, KEITH	\$ 60,106.84	Road-Deferred	3/16/2014

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE OF DEATH	DIVISION/ DEPARTMENT
VYSE, JOAN C	VYSE, DONALD G	PENSION	4/1/2014	LIBRARY

NO REFUNDS EMPLOYEE NAME	ACCUMULATED CONTRIBUTIONS	UNION GROUP	DATE TERMINATED
METCALFE, ROBERT	1,530.71	BCAMPS	9/17/2013
WORTHING, KANZADY	273.46	BMCF	4/1/2014
KOLAT, THOMAS	767.45	BMCF	2/4/2014

2,571.62

Bay County Health Department
Kirk H, Herrick, D.O.
Medical Director
1200 Washington Avenue
Bay City Michigan 48708
989-895-2062

Janie Tacey
Retirement Administrator/Accountant
Bay County Employees Retirement System
Voluntary Employee's Beneficiary Association
Bay County Building
515 Center Avenue, Suite 706
Bay City, Michigan 48708-5128
May 7, 2014

Re: Brian Davidson

Dear Ms. Tacey:

I have reviewed the medical records of Brian Davidson and the recommendation from his physician. I also reviewed his job description. I feel that he is totally and permanently disabled from participating in his job or any type of gainful employment.

Sincerely,



Kirk H. Herrick D.O.

Bay County Michigan

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BAY COUNTY, MI
YTD BUDGET REPORT

05/07/2014 12:06
JTacey

FOR 2014 04

ACCOUNTS FOR:
7310 RETIREMENT SYSTEM FUND

73127400 RETIREMENT BOARD

RA FUND BALANCE, NET AS

73127400 40003 FUND BALANCE-RESRVS
73127400 40004 NET ASSETS - RESERV

TOTAL FUND BALANCE, NET AS

RJ LOCAL UNIT CONTRIBUT

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 40003 FUND BALANCE-RESRVS	16,176	16,176	.00	.00	.00	16,176.00	.0%
73127400 40004 NET ASSETS - RESERV	3,763,344	3,763,344	.00	.00	.00	3,763,344.00	.0%
TOTAL FUND BALANCE, NET AS	3,779,520	3,779,520	.00	.00	.00	3,779,520.00	.0%
RJ LOCAL UNIT CONTRIBUT							
73127400 59401 ER CONTR-BEHAVE HEA	-1,300,000	-1,300,000	.00	.00	.00	-1,300,000.00	.0%
73127400 59402 ER CONTR-MOSQUITO C	-13,000	-13,000	-2,756.94	.00	.00	-10,243.06	21.2%
73127400 59403 ER CONTR-HEALTH FUN	-57,000	-57,000	-12,323.72	.00	.00	-44,676.28	21.6%
73127400 59404 ER CONTR-ROAD COMM	-520,000	-520,000	.00	.00	.00	-520,000.00	.0%
73127400 59406 ER CONTR-LIBRARY	-130,000	-130,000	.00	.00	.00	-130,000.00	.0%
73127400 59407 ER CONTR-GOLF COURS	-6,000	-6,000	-1,315.48	.00	.00	-4,684.52	21.9%
73127400 59408 ER CONTR-GENERAL FU	-375,000	-375,000	-83,573.81	.00	.00	-291,426.19	22.3%
73127400 59409 ER CONTR-DWS	-250,000	-250,000	.00	.00	.00	-250,000.00	.0%
73127400 59410 ER CONTR-911 -SERVIC	-45,000	-45,000	-9,267.37	.00	.00	-35,732.63	20.6%
73127400 59411 ER CONTR-CHILD CARE	-40,000	-40,000	-8,947.97	.00	.00	-31,052.03	22.4%
73127400 59412 ER CONTR-DIV ON AGI	-43,000	-43,000	-9,274.29	.00	.00	-33,725.71	21.6%
73127400 59413 ER CONTR-RETIRE SYS	-1,800	-1,800	-435.24	.00	.00	-1,364.76	24.2%
73127400 59414 ER CONTR-HOMELAND S	-3,500	-3,500	.00	.00	.00	-3,500.00	.0%
73127400 59415 ER CONTR-GYPSY MOTH	-2,000	-2,000	-418.10	.00	.00	-1,581.90	20.9%
73127400 59416 ER CONTR-HOME REHAB	-180	-180	-32.29	.00	.00	-147.71	17.9%
73127400 59418 ER CONTR-100% TAX F	-3,200	-3,200	-686.04	.00	.00	-2,513.96	21.4%
73127400 59419 ER CONTR-MED CARE F	-700,000	-700,000	.00	.00	.00	-700,000.00	.0%
73127400 59424 ER CONTR-SELF INSUR	-500	-500	-81.32	.00	.00	-418.68	16.3%
73127400 59427 ER CONTR-COMM CORRE	-3,100	-3,100	-379.13	.00	.00	-2,720.87	12.2%
73127400 59429 ER CONTR-F.O.C. FUN	-2,100	-2,100	-540.96	.00	.00	-1,559.04	25.8%
73127400 59430 ER CONTR-HOUSING FU	-6,800	-6,800	-1,196.25	.00	.00	-5,603.75	17.6%
73127400 59439 ER CONTR-SHERIFF DE	0	0	-5,538.75	.00	.00	5,538.75	100.0%
73127400 59501 EE CONTR-BEHAVE HEA	-580,000	-580,000	.00	.00	.00	-580,000.00	.0%
73127400 59502 EE CONTR-MOSQUITO C	-12,500	-12,500	-2,756.94	.00	.00	-9,743.06	22.1%
73127400 59503 EE CONTR-HEALTH FUN	-60,000	-60,000	-12,323.72	.00	.00	-47,676.28	20.5%
73127400 59504 EE CONTR-ROAD COMM	-130,000	-130,000	.00	.00	.00	-130,000.00	.0%
73127400 59506 EE CONTR-LIBRARY	-75,000	-75,000	.00	.00	.00	-75,000.00	.0%
73127400 59507 EE CONTR-GOLF COURS	-4,800	-4,800	-1,315.48	.00	.00	-3,484.52	27.4%

Bay County Michigan

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BAY COUNTY, MI
YTD BUDGET REPORT

05/07/2014 12:06
JTacey

FOR 2014 04

ACCOUNTS FOR: 7310	RETIREMENT SYSTEM FUND	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400	EE CONTR-GENERAL FU	-500,000	-500,000	-85,831.02	.00	.00	-414,168.98	17.2%*
73127400	EE CONTR-DWS	-85,000	-85,000	.00	.00	.00	-85,000.00	.0%*
73127400	EE CONTR-911 SERVIC	-62,000	-62,000	-14,051.26	.00	.00	-47,948.74	22.7%*
73127400	EE CONTR-CHILD CARE	-40,000	-40,000	-8,947.97	.00	.00	-31,052.03	22.4%*
73127400	EE CONTR-DIV ON AGI	-43,000	-43,000	-9,274.29	.00	.00	-33,725.71	21.6%*
73127400	EE CONTR-RETIRE SYS	-1,800	-1,800	-435.24	.00	.00	-1,364.76	24.2%*
73127400	EE CONTR-GYPSY MOTH	-1,900	-1,900	-418.10	.00	.00	-1,481.90	22.0%*
73127400	EE CONTR-HOME REHAB	-180	-180	-32.29	.00	.00	-147.71	17.9%*
73127400	EE CONTR-100% TAX P	-3,000	-3,000	-686.04	.00	.00	-2,313.96	22.9%*
73127400	EE CONTR-MED CARE F	-380,000	-380,000	.00	.00	.00	-380,000.00	.0%*
73127400	EE CONTR-SELF INSUR	-400	-400	-81.33	.00	.00	-318.67	20.3%*
73127400	EE CONTR-COMM CORRE	-3,100	-3,100	-379.13	.00	.00	-2,720.87	12.2%*
73127400	EE CONTR-F.O.C. FUN	-2,100	-2,100	-540.96	.00	.00	-1,559.04	25.8%*
73127400	EE CONTR-HOUSING FU	-6,800	-6,800	-1,196.26	.00	.00	-5,603.74	17.6%*
73127400	EE CONTR-SHERIFF DE	-245,000	-245,000	-58,344.88	.00	.00	-186,655.12	23.8%*
TOTAL LOCAL UNIT CONTRIBUT		-5,738,760	-5,738,760	-333,382.57	.00	.00	-5,405,377.43	5.8%
RR INTEREST & RENTALS								
73127400	66400 INVESTMENT INTEREST	-5,000,000	-5,000,000	.00	.00	.00	-5,000,000.00	.0%*
73127400	66500 GAIN ON SALE OF INV	-15,000,000	-15,000,000	.00	.00	.00	-15,000,000.00	.0%*
73127400	66501 UNREALIZED GAIN ON	-3,000,000	-3,000,000	.00	.00	.00	-3,000,000.00	.0%*
73127400	66502 GAIN ON FOREIGN CUR	-40,000	-40,000	.00	.00	.00	-40,000.00	.0%*
73127400	66600 SECURITIES LENDING	-300,000	-300,000	.00	.00	.00	-300,000.00	.0%*
TOTAL INTEREST & RENTALS		-23,340,000	-23,340,000	.00	.00	.00	-23,340,000.00	.0%
RR OTHER REVENUE								
73127400	69000 COMMISSION RECAPTUR	-25,000	-25,000	.00	.00	.00	-25,000.00	.0%*
73127400	69200 CLAIMS/SETTLEMENTS/	-150,000	-150,000	.00	.00	.00	-150,000.00	.0%*
TOTAL OTHER REVENUE		-175,000	-175,000	.00	.00	.00	-175,000.00	.0%
XE WAGES & SALARIES								
73127400	70300 SALARIES-ELECTED OR	57,460	57,460	12,978.73	3,568.96	.00	44,481.27	22.6%

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Bay County Michigan

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Jtacey

BAY COUNTY, MI
YTD BUDGET REPORT

FOR 2014 04

ACCOUNTS FOR:	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
7310 RETIREMENT SYSTEM FUND							
73127400 70500 TEMPORARY HELP	12,740	12,740	6,240.16	.00	.00	6,499.84	49.0%*
73127400 70501 PART TIME WAGES	7,349	7,349	2,383.52	1,034.62	.00	4,965.48	32.4%
73127400 70600 OVERTIME	2,809	2,809	23.48	187.84	.00	2,785.52	8%
73127400 70800 HOLIDAY PAY	0	0	665.82	135.00	.00	-665.82	100.0%*
73127400 71000 PER DIEM	3,420	3,420	585.00	135.00	.00	2,835.00	17.1%
73127400 71200 VACATION PAY	0	0	563.52	.00	.00	-563.52	100.0%*
TOTAL WAGES & SALARIES	83,778	83,778	23,440.23	4,926.42	.00	60,337.77	28.0%
XF FRINGES							
73127400 71500 SOCIAL SECURITY	4,740	4,740	1,692.59	347.92	.00	3,047.41	35.7%*
73127400 71600 HEALTH INSURANCE	17,592	17,592	3,501.60	1,167.20	.00	14,090.40	19.9%
73127400 71632 EMPLOYEE INCENTIVE	219	219	.00	7.20	.00	219.00	.0%
73127400 71700 LIFE INSURANCE	131	131	25.20	7.20	.00	105.80	19.2%
73127400 71800 RETIREMENT	4,598	4,598	1,219.80	349.32	.00	3,378.20	26.5%
73127400 71900 OTHER FRINGE BENEFIT	652	652	.00	.00	.00	652.00	.0%
73127400 72001 SIF ADMINISTRATION	111	111	38.83	8.14	.00	72.17	35.0%*
73127400 72100 WORKERS' COMPENSATI	163	163	57.16	11.99	.00	105.84	35.1%*
73127400 72200 SICK AND ACCIDENT I	391	391	96.06	25.54	.00	294.94	24.6%
73127400 72500 UNEMPLOYMENT COMPEN	358	358	125.68	26.35	.00	232.32	35.1%*
TOTAL FRINGES	28,955	28,955	6,756.92	1,943.66	.00	22,198.08	23.3%
XI SUPPLIES							
73127400 72700 OFFICE SUPPLIES	2,000	2,000	193.27	103.27	.00	1,806.73	9.7%
73127400 72800 PRINTING AND BINDIN	1,300	1,300	156.11	121.61	.00	843.89	15.6%
73127400 72900 POSTAGE	600	600	109.66	.00	.00	190.34	36.6%*
73127400 73000 MAGAZINES AND PERIO	500	500	.00	.00	.00	600.00	.0%
73127400 73301 COPIER / FAX SUPPLI	150	150	21.75	21.75	.00	500.00	.0%
73127400 74200 FOOD SUPPLIES	1,500	1,500	.00	.00	.00	128.25	14.5%
73127400 75100 COMPUTER SUPPLIES	6,050	6,050	480.79	246.63	.00	1,500.00	.0%
TOTAL SUPPLIES	6,050	6,050	480.79	246.63	.00	5,569.21	7.9%
XL OTHER SERVICES AND C							
73127400 80100 PROFESSIONAL SERVIC	1,500,000	1,500,000	249,047.15	213,117.68	.00	1,250,952.85	16.6%

Bay County Michigan

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BAY COUNTY, MI
YTD BUDGET REPORT

05/07/2014 12:06
JTracey

FOR 2014 04

ACCOUNTS FOR: 7310	RETIREMENT SYSTEM FUND	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400	80101 ACTUARIAL SERVICES	40,000	40,000	14,175.00	.00	.00	25,825.00	35.4%*
73127400	81200 MEDICAL SERVICES	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400	81400 INVESTMENT/BANK SER	230,000	230,000	-63,921.65	.00	.00	293,921.65	27.8%
73127400	81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73127400	81900 CONSULTANTS	125,000	125,000	35,000.00	.00	.00	90,000.00	28.0%
73127400	82000 MEMBERSHIPS AND DUE	550	550	125.00	.00	.00	425.00	22.7%
73127400	82900 FILING FEES	250	250	.00	.00	.00	250.00	.0%
73127400	85200 TELEPHONE	420	420	44.88	12.59	.00	375.12	10.7%
73127400	86100 CONFERENCE FEES & E	15,000	15,000	11.95	.00	.00	14,988.05	.1%
73127400	86500 STATE TRAVEL MILEAG	2,000	2,000	118.71	.00	.00	1,881.29	5.9%
73127400	86600 LOCAL TRAVEL MILEAG	300	300	19.21	.00	.00	280.79	6.4%
73127400	87500 PENSION PAYMENTS	13,000,000	13,000,000	.00	.00	.00	13,000,000.00	.0%
73127400	90000 PRINTING/PUBLISHING	500	500	.00	.00	.00	500.00	.0%
73127400	90100 LEGAL NOTICES	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400	93100 EQUIPMENT REPAIR &	500	500	.00	.00	.00	500.00	.0%
73127400	93700 HARD/SOFTWARE REPAI	5,000	5,000	1,200.00	.00	.00	-1,200.00	100.0%*
73127400	94601 EQUIPMENT RENTAL-CO	500	500	175.58	.00	.00	4,824.42	3.5%
73127400	95500 MISCELLANEOUS	95,437	95,437	25.00	.00	.00	475.00	5.0%
73127400	95600 INDIRECT COST EXPEN	1,500	1,500	23,859.24	270.00	.00	71,577.76	25.0%
73127400	96000 EDUCATION AND TRAIN	10,000,000	10,000,000	270.00	.00	.00	1,230.00	18.0%
73127400	96203 LOSS ON DISPOSAL OF	100,000	100,000	.00	.00	.00	10,000,000.00	.0%
73127400	96401 CONTRIB REFUND-GENR	60,000	60,000	.00	.00	.00	60,000.00	.0%
73127400	96402 CONTRIB REFUND-SHER	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400	96403 CONTRIB REFUND-ROAD	40,000	40,000	.00	.00	.00	40,000.00	.0%
73127400	96404 CONTRIB REFUND-MED	50,000	50,000	.00	.00	.00	50,000.00	.0%
73127400	96405 CONTRIB REFUND-B.A.	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400	96407 CONTRIB REFUND-D.W.	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400	96500 INSURANCE AND BONDS	22,000	22,000	.00	.00	.00	22,000.00	.0%
73127400	96730 MACHINERY & EQUIPME	2,000	2,000	.00	.00	.00	2,000.00	.0%
73127400	96740 OFFICE EQUIP. & FURN	1,000	1,000	.00	.00	.00	1,000.00	.0%
TOTAL OTHER SERVICES AND C		25,321,457	25,321,457	260,150.07	213,400.27	.00	25,061,306.93	1.0%

XQ CAPITAL OUTLAY

73127400	98001 COMPUTER SOFTWARE	34,000	34,000	8,000.00	.00	34,000.00	-8,000.00	123.5%*
TOTAL CAPITAL OUTLAY		34,000	34,000	8,000.00	.00	34,000.00	-8,000.00	123.5%
TOTAL RETIREMENT BOARD		0	0	-34,554.56	220,516.98	34,000.00	554.56	100.0%

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Bay County Michigan

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BAY COUNTY, MI
YTD BUDGET REPORT

FOR 2014 04

ACCOUNTS FOR:
7310 RETIREMENT SYSTEM FUND

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
TOTAL RETIREMENT SYSTEM FUND	0	0	-34,554.56	220,516.98	34,000.00	554.56	100.0%
TOTAL REVENUES	-25,474,240	-25,474,240	-333,382.57	.00	.00	-25,140,857.43	
TOTAL EXPENSES	25,474,240	25,474,240	298,828.01	220,516.98	34,000.00	25,141,411.99	

**VANOVERBEKE
MICHAUD &
TIMMONY, P.C.**
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April 28, 2014

RECENT LEGAL ISSUES AND DECISIONS

This summary is presented to provide a general reference to recent legal decisions of interest to Michigan public retirement and healthcare plans.

BENEFITS ADMINISTRATION

Costella v. Taylor Police and Fire Retirement System

Michigan Supreme Court – Decided Feb. 5, 2014

Michigan Ct. of Appeals – Decided Aug. 27, 2013

495 Mich. 939

2013 Mich. App. WL 4525894

The former Fire Chief challenged the Retirement Board's refusal to include severance pay in its calculation of his Final Average Compensation ("FAC"). The Michigan Court of Appeals determined that the Fire Chief's Personal Services Contract was ambiguous because it was silent with respect to the inclusion of severance in FAC and held that the parties intended for the severance payment to be included in his FAC. The Michigan Supreme Court summarily reversed the Court of Appeals and reinstated the trial Court's order, holding that the Retirement Board's decision was supported by competent material and substantial evidence, and dismissed the case.

Michigan Coalition of State Employee Unions v. State of Michigan

Michigan Ct. of Appeals – Decided Aug. 13, 2013

302 Mich. App. 187

State employees' unions brought an action against the State, challenging the constitutionality of statutory amendments to the State Employees' Retirement Act, MCL 38.1 *et seq.* (Public Act 264 of 2011) which required employees hired before April 1, 1997, who had maintained membership in the state defined benefit pension plan, to choose either to contribute 4% of their income to that plan or switch to the 401(k) defined contribution plan. The Unions also challenged the change in the way overtime was applied to the calculation of Final Average Compensation ("FAC"). The Michigan Court of Appeals held that those challenged portions of Public Act 264 of 2011 were unconstitutional because they violated Article 11, Section 5 of the Michigan Constitution which governs the State Civil Service Commission. Specifically, the Court held that the statutory amendments changing the nature of state employees' contribution-free retirement plan constituted a change in "rate of compensation" or a "condition of employment" without the approval or consent of the State Civil Service Commission, thus violating the civil service amendment to the State Constitution. The Court further held that the statutory amendment changing the treatment of overtime pay in calculating FAC also invaded the authority of the Commission in violation of the State Constitution's civil service amendment.

Whitsitt v. Public School Employee Retirement System
Michigan Ct. of Appeals – Decided July 25, 2013

2013 Mich. App. WL 3836003

Plaintiff worked for Saline Area Schools for 30 years and retired, effective August 1, 2007. She later accepted an offer to teach part-time and began work again for Saline Area Schools on August 27, 2007. Two years later, the Public School Employee Retirement System's Office of Retirement Services determined that the Plaintiff returned to work less than 30 days after her effective date of retirement from Saline Area Schools and ordered her to repay a year's worth of retirement benefits. The Court of Appeals agreed that the petitioner returned to work too early, but held that the remedy imposed by the Retirement System, charging petitioner a year's worth of benefits for improperly working a total of four half-days, was arbitrary and capricious. Instead, the Court held that the petitioner need only repay the salary received for the four days she should not have worked.

Macomb County v. AFSCME Council 25 Locals 411 and 893
Michigan Supreme Court – Decided June 12, 2013

494 Mich. 65

The Macomb County Employees Retirement Commission adopted an actuarial table used to calculate joint and survivor retirement benefits for employees retiring after July 1, 2007. In response, union representatives filed unfair labor practice complaints with the Michigan Employment Relations Commission ("MERC"), arguing that the Retirement Commission's 24-year past practice of using the same actuarial table to calculate benefits created a term or condition of employment. The hearing referee recommended that MERC dismiss the unfair labor practice charges, finding that the underlying collective bargaining agreements ("CBAs") contained extensive provisions covering pension benefits and the parties were "satisfied, and agreed, to have these benefits calculated as provided in the ordinance." The hearing referee thus concluded that the respondents had already fulfilled their statutory duty to bargain over the Retirement Commission's actuarial assumptions. MERC rejected the hearing referee's proposed decision, finding that the actuarial assumptions at issue were never memorialized in the Retirement Ordinance or any of the CBAs and that the parties "tacitly agreed that joint and survivor benefits would continue to be calculated as they had been in the past." The MERC decision was upheld by the Court of Appeals but reversed by the Michigan Supreme Court which held that the unambiguous language in a CBA dictates the parties' rights and obligations even in the face of a conflicting past practice, and that this past practice was not so widely acknowledged and mutually accepted that it could create an amendment to the contract. The Supreme Court opined that the party seeking to overcome an unambiguous CBA provision must present evidence establishing the parties' affirmative intent to revise the CBA and establish new terms and conditions of employment. Finally, the Supreme Court held that the grievance process contemplated in the CBA was the appropriate avenue to challenge the Retirement Commission's actions.

RETIREE HEALTH CARE

Trzil v. Village of Chesaning
Michigan Ct. of Appeals – Decided Nov. 26, 2013

2013 Mich. App. WL 6182645

Retirees brought this action against their former employer, the Village of Chesaning, claiming breach of contract and promissory estoppel because of changes to the retiree health coverage. A memorandum of understanding provided retirees with a specific Blue Cross Blue Shield plan "or its substantial equivalent" until Medicare coverage began. The employer changed health plans and retirees sought a preliminary injunction to prevent the change. However, the Michigan Court of Appeals held that a plan with higher co-pays and deductibles did not amount to irreparable harm and denied the request for an injunction, reasoning that monetary damages would be available at trial to compensate for any economic losses suffered by the retirees. The matter was returned to the trial court for further proceedings.

Welch v. Brown
6th Circuit U.S. Ct. of Appeals – Decided Jan 3, 2014

2013 Mich. App. WL 25641

Retired municipal workers brought an action against Flint’s Emergency Manager’s (“EM”) unilateral modification to their collectively bargained lifetime health care benefits. The U.S. Court of Appeals affirmed the District Court’s grant of a preliminary injunction against the EM, finding that the alteration of their lifetime health insurance benefits violated the Contract Clause and Due Process clause of the U.S. Constitution. The Court further held that the modifications constituted a substantial impairment because they required retirees to pay significantly increased amounts for health insurance and such action was not reasonably necessary for the City to avoid bankruptcy or balance the budget.

Tackett v. M&G Polymers USA, LLC
6th Circuit U.S. Ct. of Appeals – Decided Aug. 12, 2013

733 F.3d 589

The U.S. Court of Appeals held that the collective bargaining agreement language that provided for “full Company contributions” towards the cost of retiree health care benefits indicated a vested right to free, lifetime retiree health care benefits. The Court further held that subsequent concessions by the Union for active employees did not apply to retirees without prior consent.

Hardaway v. Wayne County
Michigan Supreme Court – Decided July 26, 2013

494 Mich. 423

A former appointed employee of the County sought lifetime retiree health care benefits pursuant to a resolution of the County Commission which provided for retiree health care benefits to appointees who were confirmed by the County Commission. The County denied benefits because the individual’s appointment was never confirmed by the County Commission. However, the Court of Appeals determined that the individual was entitled to benefits because the resolution was ambiguous and the County’s interpretation was inconsistent with rules of statutory construction. Accordingly, the Court concluded that retiree health care benefits were available to all appointees. The Michigan Supreme Court reversed the Court of Appeals and granted summary disposition in favor of Wayne County. The Supreme Court held that the language in Resolution No. 94-903, adopted by the Wayne County Commission in 1994, was unambiguous and extended additional insurance and healthcare benefits only to appointees who were confirmed by the county commission and not members of a board of commissioners.

AFT Michigan, et al. v. State of Michigan
Michigan Ct. of Appeals – Decided Jan. 14, 2014

303 Mich. App. 651

The American Federation of Teachers and its membership originally challenged the constitutionality of an amendment to the Public School Employees Retirement Act (“PSERA”) which required that public school districts withhold 3% of each employee’s wages as “employer contributions” to the retirement system’s trust that provides retiree health care benefits. In a prior case, *AFT Michigan v State*, 297 Mich App 597 (2012), the Michigan Court of Appeals concluded that the statute violated federal and state constitutional protections against the impairment of contracts by the state because the statute required school employees be paid 3% less than the amount they and their employers freely negotiated in contracts. The prohibition against the taking of private property was also violated because the statute directs that unique and definable monies be confiscated by governmental employers for the payment of statutorily mandated employer contributions to a state trust fund. Finally, the Court held that the statute violated the employees’ due process rights by requiring current employees to fund health care benefits to current retirees without any vested right themselves to receipt of healthcare benefits upon their own retirement.

Following the Court of Appeals' decision, the State amended PSERA so the retiree health care contributions at issue would be *voluntary*, and also lowered health and pension benefit levels prospectively. A number of employee groups challenged the law on the basis of the 2012 Court of Appeals opinion (cited above) regarding the *mandatory* contribution. This time, the Court of Appeals ruled in favor of the State, finding that health care benefits are not constitutionally protected retirement benefits under Article IX, § 24 of the Michigan Constitution. It also ruled that future accruals of retirement benefits were not diminished as increased contributions to keep the current benefit was not an impairment. As members had the choice to keep the current benefit and pay more or to keep the current contribution and accrue less, Article IX, § 24 of the Michigan Constitution was not violated.

COLLECTIVE BARGAINING

AFSCME Council 25 Local 1103.14 v. Charter Township of Harrison

Michigan Ct. of Appeals – Decided Jan. 16, 2014

2014 Mich. App. WL 198804

The Harrison Township Retirement Board adopted a policy for the calculation of pension service credit which addressed breaks in Township service. Plaintiffs filed grievances on behalf of several employees who were negatively affected by the policy. Pursuant to the language of the collective bargaining agreements, the Township was required to respond to the grievances, in writing, within 10 days, and failure to do so would cause the grievances to be automatically decided in Plaintiff's favor. The Township did not respond to the grievance within 10 days, but the arbitrators determined that the grievances were not arbitrable because the underlying challenged actions were done by the Retirement Board and not the Township itself. The Michigan Court of Appeals reversed the arbitrators' decision, holding that the "calculation of retirement benefits is a mandatory subject of collective bargaining" and that the grievance procedure was appropriate. The Court ordered that because of the default provision in the collective bargaining agreement, the Township's failing to respond to the grievances within 10 days required the grievance to be decided in Plaintiff's favor.

FOIA/OPEN MEETINGS ACT

Moran v. Risser

Michigan Ct. of Appeals – Decided Dec. 19, 2013

2013 Mich. App. WL 6693198

The former executive director of the Manistee-Benzie Community Mental Health Board ("MBCMH") claimed that private discussions by members of the MBCMH regarding his termination violated the Open Meetings Act ("OMA"). The Michigan Court of Appeals found that there were deliberations and discussions about the plaintiff and his possible termination by members of the Board, but held that those deliberations did not involve a constructive quorum and without a quorum, there was no violation of the OMA.

Belfy v. City of East Lansing

Michigan Ct. of Appeals – Decided June 18, 2013

2013 Mich. App. WL 3024851

Prior to a meeting of the East Lansing City Council, the city attorney advised the Mayor that the Council could not convene a closed session to consider the Plaintiff's ethics allegations against the city attorney. The Mayor subsequently relayed the city attorney's advice to other members of the Council. Plaintiff sued, claiming that the communications prior to the Council meeting violated the Open Meetings Act ("OMA"). The Michigan Court of Appeals found that the city attorney's advice to the Mayor and subsequent discussions prior to the meeting were not evidence that the Council deliberated privately in violation of the OMA. The City was entitled to dismissal and sanctions against plaintiff and his attorney.

Trudel v. City of Allen Park
Michigan Ct. of Appeals – Decided Nov. 14, 2013

2013 Mich. App. WL 6037152

The Michigan Court of Appeals held that the Retirement Board's late response to the Plaintiff's FOIA request was sufficient to render Plaintiff's lawsuit moot. Once the Retirement Board had submitted the documents requested, the substance of the controversy was resolved and the case was moot.

Lawrence v. City of Troy
Michigan Ct. of Appeals – Decided Jan 30, 2014

2013 Mich. App. WL 354704

The Michigan Court of Appeals held that the maximum amount of punitive damages available under the Freedom of Information Act is \$500 per *requester*, not per record requested.

Caffey v. Gladwin Community Schools
Michigan Ct. of Appeals – Decided Dec. 26, 2013

2013 Mich. App. WL 6921541

Gladwin Community Schools provided its superintendent with a cell phone for school business, allowing personal use of the phone subject to review by the school board. Plaintiff submitted a Freedom of Information Act ("FOIA") request for the phone records. The Michigan Court of Appeals held that because the school board did not possess the records or use them in the course of official business, they were not "public records" as defined under MCL 15.232(e) and, accordingly, the school board was not obligated to provide them to Plaintiff. The school board obtained some of the cell phone records before responding to the FOIA request, at which point they became public records, and were provided to plaintiff in a redacted form. The Court held that the telephone numbers were properly redacted because their disclosure would have constituted a clearly unwarranted invasion of privacy.

Speicher v. Columbia Township Board of Trustees
Michigan Ct. of Appeals – Decided Feb. 25, 2014

2014 Mich. App. WL 783833

The Columbia Township Board of Trustees ("Board") appointed a Fire Chief Review Committee ("Committee") to facilitate the hiring of a new fire chief. The Committee interviewed candidates in closed meetings and then held three meetings, open to the public, regarding the hiring of the new chief. The trial Court found that the closed Committee interviews violated the Open Meetings Act ("OMA"). However, the Court held that the hiring decision was not invalidated because the Board held three open meetings regarding the hiring of a new fire chief before the decision was made. The open meetings provided ample opportunity for the public to voice any concerns. The Court of Appeals agreed that the hiring decision should not be invalidated, but reversed the trial Court and awarded attorney's fees to Plaintiff, holding that the mere finding that a defendant violated the OMA, without more, is sufficient to find that a plaintiff succeeded in "obtaining relief" in an OMA action.

DISABILITY

Trudel v. City of Allen Park
Michigan Ct. of Appeals – Decided Nov. 14, 2013

2013 Mich. App. WL 6037152

Plaintiff, a former district Court judge, was granted a disability pension from the State of Michigan Judges Retirement System, which does not differentiate between duty and non-duty disability. Plaintiff subsequently sought a duty disability retirement from the Allen Park Retirement System and was denied. The Michigan Court of Appeals held that the fact that the Plaintiff was granted a disability pension by the State Retirement System failed to establish that he was entitled to a duty disability retirement from the Allen Park Retirement System. The Court further opined that a finding by other entities that Plaintiff was totally and permanently disabled fails to establish that his injury, illness, or disease resulted from the performance of his judicial duties. The matter was returned to the trial court for further proceedings.

DOMESTIC RELATIONS

Caudry v. Caudry

Michigan Ct. of Appeals – Decided Jan. 30, 2014

2014 Mich. App. WL 354653

A Plan Participant and his former spouse divorced in 2001 and the judgment of divorce contained a provision awarding the former spouse a 50% share of the Participant's pension upon his retirement from the Adrian Public School System. Shortly after the parties remarried in 2004, the Participant retired and received a \$52,000 early retirement buyout. At trial for their second divorce in 2011, the former spouse claimed that the entire \$52,000 buyout was an extension of the marital property from the first marriage. However, the Michigan Court of Appeals disagreed, noting that only the portion of the pension that actually accrued during the marriage must be considered part of the marital estate. The Court held that the early retirement buyout accrued during 29 years he worked for the School System prior to the second marriage. The portion of the Participant's pension that accrued during the first marriage but before the second marriage constituted a separate asset that was not part of the second marital estate. Accordingly, the Court held that the accrual of the Participant's pension during the first marriage was already adjudicated and that the early retirement buyout should not be treated as an extension of marital property from the first marriage.

Presley v. Kirk

Michigan Ct. of Appeals – Decided Mar. 11, 2014

2014 Mich. App. WL 953606

A Plan Participant and his former spouse divorced in 1994 and the judgment of divorce awarded his former spouse 50% of his retirement benefit. The parties subsequently submitted a Qualified Domestic Relations Order ("QDRO") that nominated the former spouse as the Participant's surviving spouse. The Participant subsequently remarried and identified his widow as his spouse when he applied to start receiving retirement benefits. Following the Participant's death, his widow's application for surviving spouse benefits was denied because his former spouse was already receiving benefits in accordance with the QDRO. The trial Court granted the widow's motion to amend the QDRO to eliminate the former spouse's right to receive survivorship benefits because the original judgment of divorce did not nominate the former spouse as the surviving spouse. The Michigan Court of Appeals reversed the trial Court's order because the parties were free to modify a judgment of divorce by mutual consent with a subsequently entered QDRO and the QDRO contained language indicating its incorporation into the judgment of divorce. The Appellate Court held that the entry of the QDRO, which included survivorship benefits, was valid and ordered that the original QDRO be reinstated. The matter was returned to the trial court for further proceedings.

THE FOREGOING SUMMARIES ARE PRESENTED FOR GENERAL INFORMATION PURPOSES ONLY AND ARE NOT TO BE CONSIDERED LEGAL ADVICE. PLEASE REFER TO THE TEXT OF THE FULL OPINION OR CONTACT VANOVERBEKE, MICHAUD & TIMMONY, P.C., AT THE ABOVE ADDRESS IF YOU HAVE ANY QUESTIONS OR COMMENTS CONCERNING THIS MATERIAL.

April 16, 2014

Dear Ms. Hebert,

Today marks a new chapter in our firm's history as we announce that Victory Capital Management has entered into an agreement to acquire Munder Capital Management, including its subsidiary Integrity Asset Management, to form a new independent investment management company. With origins dating back to 1894, Victory Capital Management is an Ohio-based money management firm that currently manages over \$18 billion for both institutional and individual investors. The transaction, which is expected to close by the end of the third quarter of 2014, is subject to customary closing conditions and consents, including the consent of certain Munder-advised mutual funds and other Munder investment advisory clients.

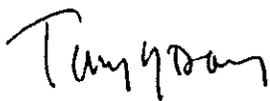
The transaction combines two strong Midwest-based investment firms with multi-boutique business models, each recognized for its investment-centric culture. The combination will result in an investment management firm with over \$37 billion of assets under management and a diversified line-up of investment offerings. Although our ownership structure will change, there is no change to the investment teams at Munder and Integrity, which will remain in their respective locations. Key executives and investment management personnel from Victory, Munder, and Integrity will be significant investors in the new entity.

Most importantly, the Munder and Integrity investment teams' underlying investment processes and decision-making will not change nor will their independence; they will continue to employ the same disciplined investment approaches and utilize the same rigorous investment and risk management processes that have served as the foundation of their strategies. Indeed, our investment teams and existing disciplines were the very reasons that Victory Capital Management was interested in acquiring our firm.

Joining with Victory will provide greater scale to allow our portfolio managers to continue having access to best-in-class resources and support to maintain their singular focus on money management. We will remain strongly aligned with our clients, focused on producing strong risk-adjusted returns. The new entity, to be named at a later date, will provide a diversified platform of investment solutions that will allow us to better serve our clients. It will also enable us to continue delivering the detailed level of service that you have come to expect. Victory Capital Management has strong and proven operations, compliance, and distribution platforms that can be leveraged seamlessly. This allows the new entity to grow in a healthy and prudent manner.

In an effort to provide you with more information, the press release announcement is available via this [link to our website](#). Please know we are carefully developing our integration plan with Victory as both firms are fully committed to making this a seamless and smooth transition for all clients. Your relationship manager will keep you apprised frequently of our progress and, of course, we welcome further discussion. We share in the excitement to be part of this new company, and believe you, our clients and partners, will readily appreciate the value and opportunity as well.

Respectfully,





Tony Dong
Vice Chairman & C.I.O.

James FitzGerald
President

Daniel Bandi
C.I.O. & Principal