

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
AGENDA

TUESDAY, OCTOBER 8, 2013

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

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

PAGE	
	I. CALL TO ORDER
	II. ROLL CALL
	III. MINUTES
1 - 3	1. SEPTEMBER 10, 2013
	IV. PUBLIC INPUT
	A. PORTFOLIO VALUE - TO BE PROVIDED
	B. BECKER, BURKE ASSOCIATES - CHICAGO, ILLINOIS
4	1. RENEWAL OF CONTRACT FOR CONSULTING SERVICES IN THE AMOUNT OF \$14,500 FOR 2014. (FEE FOR 2013 WAS \$14,500)
	C. MONEY MANAGER REPORTS
	NONE
5 - 7	D. VEBA YTD BUDGET REPORT AS OF 9/30/13
	V. ANNOUNCEMENTS
	A. NEXT REGULAR MEETING - TUESDAY, NOVEMBER 12, 2013 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 TH FLOOR, BAY CITY, MI 48708
	VI. UNFINISHED BUSINESS
	VII. NEW BUSINESS
	VIII. MISCELLANEOUS BUSINESS
	IX. ADJOURNMENT

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
September 10, 2013
PAGE 1

The meeting, held in the Bay County Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan, was called to order by Chairman, Steve Gray at 2:45 p.m. Roll call was taken. All trustees are present except Ms. Peltier and Mr. Coonan.

1. Moved, supported and carried to excuse Ms. Peltier.

Mr. Coonan arrives at 2:47 p.m.

2. Moved, supported and carried to approve the minutes, as printed, from the July 9, 2013 regular meeting.
3. Moved, supported and carried to approve the minutes, as printed, from the August 13, 2013 regular meeting.

Mr. Gray called for public input. Seeing no one from the public is present, he moved onto petitions and communications.

4. Moved, supported and carried to receive the Portfolio Value from 1/1/12 - 9/3/13. The value as of 9/9/13 was \$35.6 million.

Jeff Black and Howard Pohl from Becker, Burke Associates are present today to present the second quarter report ending June 30, 2013. For the quarter ending June 30, 2013 the Fund had an ending market value of just over \$34 million. He reviewed asset allocation by fund and we are currently at 40% in Fixed Income, which is exactly the policy target. We are slightly below the target in the Equity Funds. The Total Fund Performance had 1.2% return for the first quarter which was in the top decile. At the one year mark the Fund had a return of 14.1% ahead of the policy.

He reviewed the performance of the individual managers. Dodge & Cox (Large Cap Equity) outperformed the index for the first three quarters as well as the one year mark. Atalanta Sosnoff (Large Cap Growth) had a good performance even though the overall returns were lower. Lord Abbett (Small Mid/Cap) had a rough quarter. For the first quarter they did not exceed the benchmark, but did beat the Median. Results were better for the second and third quarters. Overall, no problems with the Equity managers at this point. C.S. McKee (Fixed Income - Bonds) had negative returns for the first quarter. Looking at the one year mark, they had 0.1 return compared to a loss for the Index. At this time, Becker, Burke is not recommending any changes.

5. Moved, supported and carried to receive the second quarter performance report as presented by Becker, Burke Associates.

ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, October 8, 2013 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
September 10, 2013
PAGE 2

UNFINISHED BUSINESS: None

NEW BUSINESS: None

MISCELLANEOUS BUSINESS:

Trustee inquired if the Board is going to be receiving an update regarding a new real estate manager. Jeff Black advised they may present this report at the October meeting if time allows, but if not, then it will be presented at the November meeting.

ADJOURNMENT:

6. Moved, supported and carried to adjourn the meeting at 2:55 p.m.

Respectfully submitted,

Crystal Hebert
Finance Officer/Secretary

Transcribed by: Naomi Wallace

MEETING OF THE V.E.B.A. BOARD OF TRUSTEES COMMITTEE
SEPTEMBER 10, 2013

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

MEETING CALLED TO ORDER BY: CHAIR STEVE GRAY AT 2:45 P.M.

OTHERS PRESENT: JEFF BLACK, HOWARD POHL, SUE GANSSER, CRYSTAL HEBERT

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

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



Crystal Hebert
Bay County Employees Retirement System
515 Center Avenue
Bay City, MI 48708

Dear Crystal:

The purpose of this letter is to confirm Becker, Burke's fee for 2014 for the VEBA. For 2014 the annual performance evaluation fee remains the same as previous, \$14,500 annually, billed quarterly in advance.

The Bay County VEBA fee was last modified in 2009. It covers all data analysis, report preparation, presentations, and meetings. This assumes that the performance reviews will be presented at the regularly scheduled pension meetings. If additional managers are hired, the annual performance evaluation fee will increase by \$3,500 per manager.

We value highly our relationship with the Bay County VEBA and look forward to a continuing fine relationship. If there are questions or other ways, we can be of assistance, please let us know.

Cordially,

Jeffrey Black, Associate

Bay County, Michigan

09/30/2013 17:45
KPriessnitz

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

PG 1
glytdbud

FOR 2013 09

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
7360 PUBLIC EMPLOYEE HEALTH CARE							
73627401 VOL.EMPLOYEE BENEF. ASSOC. BOARD							
RA FUND BALANCE, NET AS							
73627401 40001 FUND BALANCE	13,535	13,535	.00	.00	.00	13,535.00	.0%
73627401 40004 NET ASSETS - RESERV	-99,400	-99,400	.00	.00	.00	-99,400.00	.0%*
TOTAL FUND BALANCE, NET AS	-85,865	-85,865	.00	.00	.00	-85,865.00	.0%
RJ LOCAL UNIT CONTRIBUT							
73627401 59401 EMPLOYER CONTRIB-BE	0	0	.00	.00	.00	.00	.0%
73627401 59402 EMPLOYER CONTRIB-MO	0	0	.00	.00	.00	.00	.0%
73627401 59403 EMPLOYER CONTRIB-HE	0	0	.00	.00	.00	.00	.0%
73627401 59404 EMPLOYER CONTRIB-RO	0	0	.00	.00	.00	.00	.0%
73627401 59406 EMPLOYER CONTRIB-LI	0	0	.00	.00	.00	.00	.0%
73627401 59407 EMPLOYER CONTRIB-GO	0	0	.00	.00	.00	.00	.0%
73627401 59408 EMPLOYER CONTRIB-GE	0	0	.00	.00	.00	.00	.0%
73627401 59409 EMPLOYER CONTRIB-DW	0	0	.00	.00	.00	.00	.0%
73627401 59410 EMPLOYER CONTRIB-91	0	0	.00	.00	.00	.00	.0%
73627401 59411 EMPLOYER CONTRIB-CH	0	0	.00	.00	.00	.00	.0%
73627401 59412 EMPLOYER CONTRIB-DI	0	0	.00	.00	.00	.00	.0%
73627401 59413 EMPLOYER CONTRIB-RE	0	0	.00	.00	.00	.00	.0%
73627401 59415 EMPLOYER CONTRIB-GY	0	0	.00	.00	.00	.00	.0%
73627401 59416 EMPLOYER CONTRIB-HO	0	0	.00	.00	.00	.00	.0%
73627401 59418 EMPLOYER CONTRIB-10	0	0	.00	.00	.00	.00	.0%
73627401 59419 EMPLOYER CONTRIB-ME	0	0	.00	.00	.00	.00	.0%
73627401 59424 EMPLOYER CONTRIB-SE	0	0	.00	.00	.00	.00	.0%
73627401 59427 EMPLOYER CONTRIB-CO	0	0	.00	.00	.00	.00	.0%
73627401 59429 EMPLOYER CONTRIB-F.	0	0	.00	.00	.00	.00	.0%
73627401 59430 EMPLOYER CONTRIB-HO	0	0	.00	.00	.00	.00	.0%
73627401 59433 EMPLOYER CONTRIB-SO	0	0	.00	.00	.00	.00	.0%
73627401 59499 EMPLOYER CONTRIB-SH	0	0	.00	.00	.00	.00	.0%
TOTAL LOCAL UNIT CONTRIBUT	0	0	.00	.00	.00	.00	.0%
RP INTEREST & RENTALS							
73627401 66400 INVESTMENT INTEREST	0	0	.00	.00	.00	.00	.0%

5

Bay County, Michigan

09/30/2013 17:45
KPriessnitz

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

PG 2
glytbdud

FOR 2013 09

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 66500 GAIN ON SALE OF INV	0	0	.00	.00	.00	.00	.0%
73627401 66501 UNREALIZED GAIN ON	0	0	.00	.00	.00	.00	.0%
TOTAL INTEREST & RENTALS	0	0	.00	.00	.00	.00	.0%
RR OTHER REVENUE							
73627401 67104 MISCELLANEOUS REVENU	0	0	.00	.00	.00	.00	.0%
TOTAL OTHER REVENUE	0	0	.00	.00	.00	.00	.0%
XE WAGES & SALARIES							
73627401 71000 PER DIEM	360	360	.00	.00	.00	360.00	.0%
TOTAL WAGES & SALARIES	360	360	.00	.00	.00	360.00	.0%
XI SUPPLIES							
73627401 72700 OFFICE SUPPLIES	50	50	.00	.00	.00	50.00	.0%
73627401 72800 PRINTING AND BINDIN	150	150	.00	.00	.00	150.00	.0%
73627401 72900 POSTAGE	100	100	.92	.00	.00	99.08	.9%
73627401 75100 COMPUTER SUPPLIES	50	50	.00	.00	.00	50.00	.0%
TOTAL SUPPLIES	350	350	.92	.00	.00	349.08	.3%
XL OTHER SERVICES AND C							
73627401 80100 PROFESSIONAL SERVIC	0	0	52,878.85	11,267.00	.00	-52,878.85	100.0%*
73627401 80101 ACTUARIAL SERVICES	40,000	40,000	35,000.00	.00	.00	5,000.00	87.5%*
73627401 81400 INVESTMENT/RANK SER	6,000	6,000	.00	.00	.00	6,000.00	.0%
73627401 81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73627401 81900 CONSULTANTS	30,000	30,000	12,875.00	.00	.00	17,125.00	42.9%
73627401 86600 LOCAL TRAVEL MILEAG	0	0	.00	.00	.00	.00	.0%
73627401 94601 EQUIPMENT RENTAL-CO	55	55	.00	.00	.00	55.00	.0%
73627401 95600 INDIRECT COST EXPEN	0	0	.00	.00	.00	.00	.0%

Bay County, Michigan

09/30/2013 17:45
 KPriessnitz

BAY COUNTY, MI
 YEAR-TO-DATE BUDGET REPORT

PG 3
 glytdbud

FOR 2013 09

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 96200 LOSS ON DISPOSAL OF	0	0	.00	.00	.00	.00	.0%
73627401 96201 UNREALIZED LOSS ON	0	0	.00	.00	.00	.00	.0%
73627401 96500 INSURANCE AND BONDS	1,600	1,600	2,636.93	.00	.00	-1,036.93	164.8%*
TOTAL OTHER SERVICES AND C	85,155	85,155	103,390.78	11,267.00	.00	-18,235.78	121.4%
TOTAL VOL.EMPLOYEE BENEF.ASSOC.BO	0	0	103,391.70	11,267.00	.00	-103,391.70	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH CARE	0	0	103,391.70	11,267.00	.00	-103,391.70	100.0%
TOTAL REVENUES	-85,865	-85,865	.00	.00	.00	-85,865.00	
TOTAL EXPENSES	85,865	85,865	103,391.70	11,267.00	.00	-17,526.70	
GRAND TOTAL	0	0	103,391.70	11,267.00	.00	-103,391.70	100.0%

** END OF REPORT - Generated by Kim Priessnitz **

7